



Daily Report

East Europe

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Dayton Peace Talks on FRY Previewed

BR0211142795 Paris LE MONDE in French
2 Nov 95 p 2

[Article by Remy Ourdan: "Warring Parties in Former Yugoslavia Forced To Negotiate"]

[FBIS Translated Text] The wind of Pax Americana is blowing through the Balkans. For the first time since the start of the war in the former Yugoslavia, the warring parties are actually sitting down together at the negotiating table with the feeling that they are not permitted to fail. The Serbian, Croatian, and Bosnian presidents have no concrete reason to believe that today, any more than yesterday, a lasting peace can be found. And yet failure in Ohio appears almost impossible. Everywhere behind the front lines they are saying: "The Americans would not forgive us for failing." The Clinton administration has put Belgrade, Zagreb, and Sarajevo under so much pressure that the three men are not now going into these discussions with the intention of slamming the door at the first sign of the slightest problem. Messrs. Milosevic, Tudjman, and Izetbegovic have left their respective capitals hoping to return with an agreement that best serves their interests, as if the signing of a peace plan were now, in any event, inevitable.

President Slobodan Milosevic, representing both the Federal Yugoslav Republic (Serbia and Montenegro) and the Serbian Republic (which was self-proclaimed for 50 percent of Bosnian territory) said when he left Belgrade that he was "optimistic... Our aim is peace. We expect to see a fair and lasting peace."

Last year the Bosnian Serbs had been the last obstacle to the signing of another peace plan, that proposed by the Contact Group (comprising the United States, Russia, Germany, France, and Great Britain). In September, after more than a year of wrestling with the strong man of Belgrade, they finally handed over the keys of their "Serbian Republic" to Slobodan Milosevic, after coming under joint pressure from the NATO air raids and the efforts of Richard Holbrooke.

Enormous Advantage

The enormous advantage the Americans have over the Contact Group mediators is that the partitioning of Bosnia-Herzegovina between the Croatian-Bosnian Federation and the "Serbian Republic" has since been ratified by the situation on the ground. Since the summer of 1994, it was accepted that the Croats and the Bosnians would control 51 percent of the country and the Serbs 49 percent. After the joint Croatian-Bosnian military victories in the fall, this partitioning has since become reality. The Serbian Army now controls just

48.4 percent of the territory, compared with 71 percent last year.

Nevertheless, the warring factions will have other serious problems in determining the partition line. The Serbs are demanding that the Posavina Corridor, linking them to their principal stronghold of Banja Luka, Eastern Bosnia, and Serbia, be widened from 4 to 20 km. Mr. Holbrooke's aim is to obtain Bosnian assent to this in exchange for the Serbs relinquishing their control of a Sarajevo-Gorazde road. The U.S. mediator wants to negotiate both of these corridors at the same time—they are vital to the Serbs and Bosnians respectively—because to date the Serbs have been repeating their wish to obtain Gorazde. Before he left Sarajevo, Mr. Izetbegovic was eager to point out his intention of seeing the Posavina Corridor handed over to the Bosnians.

So that the parties can agree on the partitioning of Bosnia, they will also have to resolve the delicate problem of the status of Sarajevo. The Bosnian president will doubtless refuse the partitioning of the capital, and he will ask for the districts currently under the control of the Serbian Army to be handed back [to the Bosnians]. As far as the Serbs are concerned, the aim remains transforming Sarajevo into a kind of "Berlin of the Balkans," which corresponds to their desire of a divided country. Momcilo Krajisnik, "president" of the Pale "parliament" and a member of Mr. Milosevic's delegation, said: "If, in these discussions, we achieve our goal of a divided Bosnia and our own separate state, we will have won."

The thrust is clear. The belligerents have so far not downwardly revised their ambitions. Mr. Izetbegovic wants a united Bosnia-Herzegovina. The Pale Serbs want a separation into two separate states. On the Serbian side, they are moreover demanding the right to confederate with neighboring Serbia, one year after the peace plan is signed. President Milosevic has not spoken recently about the Bosnian Serbs' demands, and, as a result, nobody knows his exact intentions. The only certainty is that he will have to decide for them and that the three delegates of the "Serbian Republic" will, in fact, be present in the United States only as advisers. Pale's representative will have to bow to Mr. Milosevic's decisions, although his prime interest is to see the lifting of the economic sanctions that were imposed on Serbia in the spring of 1992. The Americans are committed to lifting these sanctions when an agreement has been signed, without waiting for the final signing of the peace plan in Paris.

The Issue of NATO

In addition to deciding on the partitioning of the territory and the future constitution, the presidents will also

have to negotiate the deployment of NATO troops. Here again, the Serbs, Croats, and Bosnians are still worlds apart. The Serbs want to see a multinational force deployed along the front lines only, in order to fix the partitions in place once and for all. The Bosnians, however, would like to see this force positioned on the external borders in order to guarantee the unity of Bosnia-Herzegovina.

The three men will also have to come to an agreement on the possible return home of refugees, the means of distributing economic aid, and the prosecution of war criminals. Mr. Izetbegovic has asked for the billions of dollars in aid from the international community to depend on the strict respect for human rights.

Richard Holbrooke and the various mediators are therefore right to warn that success is by no means guaranteed. However, the American method would appear to have already borne fruit, and the three enemies are going into the negotiations with a degree of what is described in all capitals as "optimism."

Alija Izetbegovic stated: "We are in a good situation. We will either have NATO troops or weapons, depending on what the Congress decides." Diplomatic sources suggest that the West is afraid that the Bosnian camp could opt for a lifting of the arms embargo promised by the Americans if the peace process fails. A Bosnian diplomat was reassuring: "That would not be reasonable. Our recent victories have not seen us lose our sense of reality. If the negotiations fail and the embargo is lifted, Belgrade would have to play a more active role in the war. We can defeat the isolated and exhausted Serbs, but we will not be able to defeat Milosevic's army. It is in our interests to sign the peace plan."

The feeling in Sarajevo, Belgrade, and Zagreb is that the three presidents do not have the means of opposing the American project, refusing the arrival of NATO troops, or risking a fresh conflagration in Bosnia-Herzegovina after the winter. An editorial in Sarajevo's newspaper *OSLOBODENJE* remarked ironically: "The Americans have prepared the pipe of Balkan peace. They have chosen the best tobacco and the best matches they can find. The smoke of the Pax Americana will be strong, but that does not mean that one of the three players—or even all three—will not be able to resist it. American-style peace will not be agreeable or sweet for anyone."

EU To Back U.S. Demand for Serbs To Step Down

*AU0311122795 Paris AFP in English
1211 GMT 3 Nov 95*

[FBIS Transcribed Text] Brussels, Nov 3 (AFP)—The European Union will back U.S. demands that Bosnian Serb leaders Radovan Karadzic and Ratko Mladic step

down as a condition of implementing a peace deal in Bosnia-Herzegovina, commission officials indicated Friday.

"It is difficult to conceive of aid programmes being implemented in Serb territories if these are still being governed by people identified as war criminals," said a spokesman for Foreign Affairs Commissioner Hans van den Broek.

U.S. Secretary of State Warren Christopher said Friday that NATO would not implement a peace settlement that left Karadzic and Mladic, his military commander, in place.

The two men have been charged with crimes against humanity by an international tribunal in The Hague. The tribunal has urged the United States to make the surrender of suspected criminals a condition for any accord that emerges from talks in Dayton, Ohio.

The EU is expected to take the leading financial and political role in organising the reconstruction of Bosnia-Herzegovina.

Van den Broek said last month that aid other than humanitarian assistance would be conditional on the victims of "ethnic cleansing" being allowed to return to their homes and on cooperation to pursue war criminals.

UN Envoy, NATO Discuss Cooperation Over Bosnia

*AU0311104195 Paris AFP in English
1007 GMT 3 Nov 95*

[FBIS Transcribed Text] Brussels, Nov 3 (AFP)—Kofi Annan, the UN envoy to the former Yugoslavia, held talks Friday with NATO officials aimed at thrashing out a framework for UN-alliance cooperation in implementing an eventual peace deal.

Annan, who has replaced Japanese Yasushi Akashi as UN envoy, was accompanied by the UN commander in former Yugoslavia General Bernard Janvier.

After talks with Anthony Cragg, NATO's assistant secretary general for planning and interim secretary general Sergio Balanzino, Annan and Janvier were due to meet alliance ambassadors.

The discussions focused primarily on how to assure coordination between the uniquely military activities of a NATO-led peace implementation force and civilian tasks, such as reconstruction or humanitarian assistance, where the UN will continue to play a leading role.

The North Atlantic Treaty Organisation is planning to send a 60,000-strong force to police a peace deal but wants to ensure its tasks are precisely defined and it alone has sole responsibility for carrying them out.

These conditions are designed to avoid the kind of problems that arose from the dual-key rules which previously governed UN-NATO relations in Bosnia and also to ensure that alliance troops will not need to stay in Bosnia for more than year.

The alliance will however have to work very closely with the United Nations in the first, critical stages of the operation when UN troops from NATO countries

are due to "switch helmets" and those troops not contributing to the peace force are withdrawn.

A representative of UN Secretary General Butrus Butrus-Ghali will have a role in coordinating the operation but his exact role has yet to be defined and was one of the issues of Friday's talks.

Multigroup Denies Involvement in Gligorov Attack

AU0211203895 *Sofia Khorizont Radio Network in Bulgarian 1700 GMT 2 Nov 95*

[Report by Sonya Subcheva]

[FBIS Translated Text] In an interview on the Khorizont Program of Bulgarian National Radio, Boyko Draganov, chief secretary of Multigroup Holdings, strongly denied the charge that Multigroup is implicated in the attack on the life of President Kiro Gligorov.

Multigroup Holdings will give parallel news conferences in this connection at 1600 tomorrow at the Balkan Agency offices in Thessalonika and Sofia.

I will remind our listeners that these accusations, after a denial issued through the Greek Press Agency, appeared again this morning in an issue of the wide-circulation official newspaper NOVA MAKEDONIJA under the headline "Bulgarian International Octopus."

FYROM Ambassador Discusses Current Relations

AU0211160095 *Sofia NOVINI PLYUS in Bulgarian 27 Oct 95 p 23*

[Interview with FYROM Ambassador Georgi Spasov by Lyudmila Zasheva at the FYROM Embassy in Sofia; date not given: "An Assassination Attempt Directed Against All Balkan Nations"]

[FBIS Translated Text] [Zasheva] Did you postpone our interview because you were really ill, or because you wanted to avoid making statements regarding the assassination attempt?

[Spasov] I really was very ill, you must believe me, and I have no reason to hide myself away. You may have noticed that I am one of the ambassadors in Sofia who gives the most interviews and news conferences and most frequently issues statements. I do this because I believe that Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is of great interest to Bulgaria as a neighboring country.

[Zasheva] Will the attempt on President Gligorov's life affect the situation in the Balkans?

[Spasov] I have already answered this question several times, but I will say it again. The would-be assassins failed in their attempt to remove President Gligorov from the political scene in Macedonia, to provoke new presidential elections, to restructure the political scene, and to intimidate the forces in Macedonia that follow President Gligorov's policies of peace, good-neighborliness, and settling controversial problems by negotiation, not by war. However, the Balkans lost a great deal as a result of such an assassination attempt, as it confirms the image created in the eyes of the world

of a Balkans as a "low tavern," a zone that deserves to be isolated and, like a gunpowder keg, still presents a threat. Accordingly, I believe that the attack is aimed against the interests of all Balkan nations, irrespective of the motives of those who organized it. It is time for us to realize that we have common Balkan interests and that our interests should not continuously brought into opposition.

[Zasheva] The opposition parties in Macedonia described the treaty between Athens and Macedonia as harmful to your country's national interests.

[Spasov] The meaning of pluralism is the right of every political force to define the national interest according to its own political views. If anyone in Macedonia thinks that a particular political step is not in accordance with what it understands as the national interest, it should have the right to say this and to prove it by legal means in the political struggle, otherwise we would reach the position in which only the ruling party has a clear understanding of what the national interest or "the interests of the working class" (as they used to say earlier) really are, and this is tantamount to a new form of totalitarianism. In my opinion, the treaty with Athens is in conformity with the national interests of the Republic of Macedonia. No one can dispute that it is in Macedonia's interest to have a recognized and undisputed international border with Greece; to have its territorial sovereignty recognized; as an independent state, to obtain access to the port of Salonika and an open route to the Aegean; and to retain its right to fight for its own name as an equal member of all the international institutions and organizations.

[Zasheva] Why did you make a concession regarding the star of Vergina? Is this not a step toward the next concession—regarding your country's name?

[Spasov] No, we merely demonstrated that we have left the policy of "Balkan obstinacy" behind us. We are sure that time will prove the error of Greece's policy, which attempted and is still attempting to establish their copyright over everything that the ancient Macedonia created.

[Zasheva] I see already your new flag here. Your country reacted very quickly in producing it.

[Spasov] Yes, that is true; we act swiftly when it is in the nation's interest. As for me personally, I must admit that I prefer this flag. The yellow color gives it more warmth. In all mythologies, yellow is the symbol of wisdom and common sense. The red signifies the struggle for freedom, and the sun represents life. The sense of the flag is that Macedonia is striving to win its freedom by using common sense.

[Zasheva] Will Greece's lifting of the economic blockade affect Bulgarian-Macedonian economic relations?

[Spasov] In a certain sense, it will. It is much cheaper for Macedonia to secure the goods that its economy needs through the port of Salonika than through Burgas, since we can ship the goods by rail, because the necessary infrastructure already exists with our southern neighbor. During this period, Macedonia has realized the extent of its economic dependence on the north-south transport corridor, and for this reason will redouble its efforts to build the east-west corridor. At the same time, many good links have been established in this period between the economies of Macedonia and Bulgaria, and these are a guarantee for the successful development of our bilateral economic relations in the future. The opening of Macedonia's border with Greece will also benefit the Bulgarian economy, which can only realize its competitive capabilities when communications are normal.

[Zasheva] Is a border necessary between Bulgaria and Macedonia?

[Spasov] Yes, because they are two independent Balkan states.

[Zasheva] Bulgaria was the first country to recognize your republic's independence in January 1992. However, lately, Macedonia appears to have forgotten this fact. Recently, Turkish President Demirel declared that Turkey was the first to recognize your country, but Skopje kept modestly silent. Why?

[Spasov] I have not heard of Mr. Demirel making any such statement, but if he did, then it was certainly not intended to belittle Bulgaria's role in recognizing Macedonia. Perhaps he had in mind that Turkey was the first to recognize the Macedonian state without any reservations regarding the Macedonian language and the Macedonian nation, and was the first to establish diplomatic relations with us.

[Zasheva] Recently, the Council of Europe Parliamentary Assembly recommended that Macedonia should be accepted into the Council of Europe. In your view, what is the reason for their benevolence?

[Spasov] By all yardsticks, our country deserved to join all the European associations as a full member long ago. For many European countries, Macedonia is an example not only of a country that follows a peaceloving policy, but also of one that has succeeded in resolving interethnic tension and in respecting human rights and the rights of national minorities. In this sense, this is not a recommendation or an expression of goodwill, but a logical step after Cyprus and Greece lifted their veto on accepting us.

[Zasheva] Does there exist any secret desire in Macedonia to reunite with Serbia?

[Spasov] No, we do not want to join Serbia nor any kind of Yugoslav federation. It is true that in Macedonia there have been the fewest demonstrations of "anti-Yugoslavism" and "anti-Titoism," in contrast to Croatia and Slovenia, for example. However, there is a logical explanation for this. The modern Macedonian state was created in an anti-Fascist struggle waged jointly with the other Yugoslav nations and, after the war, Serbia was the first of our neighbors to recognize the Macedonian language and the Macedonian nation. However, in Macedonia today, the vast majority of the people are convinced that an independent Macedonia is the key to stability in the Balkans and that any new form of federation or confederation would run counter to the Macedonia people's age-old dream of obtaining its own independent state and integrating it into the European structures.

[Zasheva] In your opinion, which alphabet does the Macedonian nation use?

[Spasov] The official language in Macedonia is Macedonian, which, as one of the Slavonic languages, uses the Cyrillic form suitable for the Macedonian tongue. It differs to some extent from Bulgarian and Serbian, as well as from the alphabets of the other Slavonic peoples.

[Zasheva] Why are people who define themselves as Bulgarians persecuted in your country?

[Spasov] In the Balkans, we have many mixed ethnic entities, but this should not serve to foment enmity between states. In Bulgaria, one can always find someone like Iliya Ilievski, and the newspapers will then increase their sales by publicizing a nonexistent problem. In our country, everyone can freely declare his or her own ethnic affiliation, because, for the citizens of Macedonia, this does not provide a reason for discrimination, nor again for obtaining any privileges. The national minorities in Macedonia possess all collective rights, and in this connection our country is ready to be compared with any other state in the world.

[Zasheva] You have mastered the art of diplomatic rhetoric extremely well. Have you worked in this field for a long time?

[Spasov] I am not a career diplomat, and Bulgaria is my first posting. For me, this is a new challenge, a new experience, and a new form of responsibility in my life. Before this, I worked in the Institute of Sociological, Political, and Legal Studies of Skopje University. I did engage in politics to some extent, as I was a member of the Supreme Council of the party that

supported President Gligorov in the elections. I received a doctorate in political sciences in Skopje and spent a few months working in Oxford. During the period of the most complex events in the Balkans, I wrote my own column in the weekly editions of independent newspapers such as BORBA, VECER, and so on.

[Zasheva] In this case, how did you get into diplomacy and find your way to Sofia?

[Spasov] When Bulgaria recognized Macedonia's independence, it became clear that Sofia would be extremely important both in the process of the further confirmation of our republic's independence and in establishing the truth about Macedonia through diplomatic channels. Because of our past disputes with you as a neighbor and your important role in our country's economic life, it was clear that it was more important to send a pragmatic politician to Sofia than a historian or a diplomat who had made his career in former Yugoslavia. I am glad that President Gligorov saw such a man in me.

[Zasheva] You are now extremely active and busy. Do you have any free time for yourself?

[Spasov] I have very little free time, but when I find myself free, I prefer to go for walks in the parks during the autumn. I love the sunny autumn because of nature's many colors, and I love to walk through the woods when the leaves are falling. Apart from this, I play tennis and go fishing in Pancharevo. I am also thinking of publishing some of the scientific works that I have already prepared. I am considering writing a book about the political realities in Bulgaria during the years of my stay here.

[Zasheva] All this sounds very ambitious.

[Spasov] Well, I am a scientific worker and have to do something apart from going for walks, which in scientific circles is regarded as wasting time. In our country, everything is measured from the viewpoint of what you create.

Plzenska Banka Power Struggle After Buying Spree
AU0211134595

[FBIS Editorial Report] Prague CTA in English has issued several reports on what Prague LIDOVE NOVINY in Czech on 30 October on page 1 even dubs the "start of the greatest battle on the Czech capital market to date," namely, the stock market purchases executed by Plzenska Banka and their aftermath. Prague CTA in English at 1630 GMT on 26 October carries a report on a Plzenska Banka news conference that took place earlier that day, in which bank representatives revealed details of the bank's spectacular debut on the capital market. The journalists were told that "the bank was behind Kreditni Banka Plzen's controversial large-scale purchases on the Prague Stock Exchange. According to Plzenska Banka Board Chairman Jan Dienstl, the main reason for buying shares in funds is not to sell out stakes in individual companies, but to manage funds' property better than the current owners." The report continues with data on the bank: "Plzenska Banka currently has Czech client deposits worth 1.5 billion korunas (Kc). Its assets totaled Kc2.5 billion on 30 September 1995, and net profit was approximately Kc31.6 million as of 25 October 1995." Prague CTA in English at 1149 GMT on 27 October adds that its net profits amounted to "Kc25.22 million in the first three quarters of 1995 but made no profit last year. The financial statement as of 30 September reads that the bank's turnover increased by Kc600 million in comparison with the end of 1994 and now stands at Kc2.01 billion. Loans provided by the bank amounted to Kc627.74 million. Midterm loans contributed most to the total with Kc399.365 million, while long-term loans contributed least with Kc44.81 million. Deposits totaled Kc997.8 million. The institution started operations on 1 October 1993. Its majority shareholder is Ceska Pojistovna (Czech Insurance Co.), with 24.7 percent." Another report, Prague CTA in English at 2132 GMT on 27 October carries on with the story: "The bold entry of Plzenska Banka into the capital market has been stopped by its shareholders. During the course of this year, Plzenska Banka has been heavily buying shares in investment funds through Kreditni Banka Plzen, which, unlike Plzenska Banka, is a member of the Prague Stock Exchange. Plzenska Banka acquired majority shares in the CS Funds, Panok, and IF Rentia investment funds. It has also focused on big funds like IPF Komerční Banka, IF Kvant, Creditanstalt, and IF Zivnobanka. It now holds more than 10 percent in each, and that is enough to control them. Major Czech banks reacted by collectively halting loans for both Kreditni Banka and Plzenska Banka in order to prevent them from buying out bank investment funds. As a result of this, Kreditni Banka fell behind in payments. Finally, Ceska Pojis-

tovna, shareholder in both Kreditni Banka and Plzenska Banka, paid its obligations under the condition Kreditni Banka stop its acquisitions. According to financial experts, the big banks most probably underestimated the situation and did not take sufficient measures to protect against buyouts of their funds. Prague CTA in English at 2143 GMT on 27 October reports on the reaction by Plzenska Banka: "The coordinated move by large Czech banks to stop Plzenska Banka and Kreditni Banka Plzen from buying out investment funds administered by major banks is not tolerable, Plzenska Banka told CTA. 'In fact, it is a fight between administrators and shareholders when the big banks represent state ownership and we private ownership,' Dienstl said. According to him, the cessation of loans to Plzenska Banka and Kreditni Banka Plzen is only one of several 'fierce' measures taken by the large banks against them. Another step that the major financial institutions took, he says, was a call by Ceska Pojistovna on 26 October for an extraordinary shareholders meeting of Plzenska Banka in order to make changes in its statutory bodies. Dienstl maintains that this attempt to control Plzenska Banka is unrealistic. He says that after selling off half of its shares, Ceska Pojistovna holds only less than a 10-percent stake now. The shares have already been paid for, and their transfer to a new owner should follow shortly, he said. Plzenska Banka declined to give specific information about the new owner." In the meantime, Prague LIDOVE NOVINY in Czech on 30 October on page 1 reports that the extraordinary meeting of shareholders elected new executive officers, with Igor Valtr as chairman of the board, revoked the decision on raising additional Kc200 million of equity capital and asked for an analysis of some financial operations. The recalled that CEO Dienstl has not accepted these decisions, "considers the results of the meeting illegal, and intends to resort to the appropriate court." According to Dienstl, another shareholders' meeting took place concurrently with the one called by Ceska Pojistovna, and this meeting confirmed his appointment as chairman of the board.

Boards Give Contradictory Instructions

AU0211171595

[FBIS Editorial Report] Prague CTA in English carries several reports on the situation at Plzenska Banka. Prague CTA in English at 1949 GMT on 1 November carries a report that states that "an extraordinary general meeting of Plzenska Banka (PB) shareholders on 28 October 1995 recalled the bank's board of directors and elected a new one. The general meeting was convened by the supervisory board at the request of PB's largest shareholder, Ceska Pojistovna (CP). The meeting was attended by shareholders owning more than 61 percent of PB shares and decided that the increase to the bank's

share capital by 200 million korunas (Kc) on the basis of stock subscriptions from 27 October 1995 was invalid. The new board was elected with Igor Valtr from the CP as its chairman." The report continues, however, stating that "another PB general meeting took place on the same day. This second meeting was attended by the remaining shareholders gathered around Motoinvest, the bank's second-largest shareholder. This meeting elected another board of directors, reconfirming some of those ousted at the CP-led meeting, including Jan Dienstl as chairman, Petr Rybar as vice chairman, and Pavel Tykac, David Knop-Kostka, Otto Brada, and Jana Loukova as board members. According to the existing entry in the trade register, the bank's board still consists of those who were members before the first meeting...and no one else can act on behalf of the PB until the entry is changed, which can take a long time."

Prague CTA in English at 1955 GMT on 1 November reports: "The PB will sell some of the shares it now holds, probably its shares in large investment funds such as Komerční Banka's IF, Jan Dienstl, chairman of the board of directors, said today. Because investment fund shares are an important part of the bank's shares and because they have a strategic role in the Czech economy, the PB will try to find a domestic investor, Dienstl said. But if no Czech investor is found, the bank will be forced to make use of the offers by some renowned foreign investors who have already shown a great interest in the purchase. The bank's advertising campaign, which the Czech National Bank ordered to be terminated, is in full swing now. Dienstl said the PB made a public promise to about 5.5 million Czech citizens. 'To meet both our promise and the Czech National Bank's demands and not to put the PB at great market risk, we have decided to continue the acquisitions and the related advertising campaign but not on the bank's own account,' Dienstl said. He also said that the bank will inform Czech National Bank representatives about its current activities today.'" Another report, Prague CTA in English at 1917 GMT on 1 November, refers to the activity of the "other board of directors": "The PB board of directors, elected at the extraordinary general meeting convened on the request of the CP, wishes to dissociate itself from the advertising campaign launched today by the bank's other board of directors. The CP-led board says the campaign violates banking ethics and agrees with the 30 October Czech National Bank decision to order the PB to terminate the campaign. Chairman Igor Valtr said his board is currently taking steps to harmonize the existing situation with legal regulations. He said the board has also contacted its supervising body, the Czech National Bank."

Daily: Warning for Republic in Slovakia's 'Misery'

AU0311084495 Prague MLADA FRONTA DNES
in Czech 27 Oct 95 p 12

[Commentary by Jiri Leschtina: "A Reminder of Slovak Misery"]

[FBIS Translated Text] The sharp warning from the European Union and the United States expressing concern about the state of democracy in Slovakia is a grave diplomatic act that has no parallel in the West's relationship with the current East European governments. We should also pay maximum attention to the situation in Bratislava.

That is, Slovakia's current misery is also a reminder for us of what can happen when people place in power populist dilettantes who do not know how to govern responsibly.

We will not find a country from the Morava River to the Urals in which the secret service would have to face a very well-founded accusation that it kidnapped its own citizen and the president's son. It is absolutely unprecedented when this terrible suspicion, slashing the state's credibility to zero, is also articulated by the head of state.

Colossal incompetence, human malice, and a base lust for power and property are just the explicable political absurdities in which Slovakia is engulfed. Only supremely incompetent and insecure politicians are interested in covering their weaknesses by stirring up scandals and making brutal attacks on hated rivals.

The Slovak "noncommunist" Government is not particular about democracy, which cannot be said, for instance, about the postcommunist cabinets in Poland and Hungary. This merely shows that the majority of the top politicians in Slovakia, including the president and the prime minister, are bureaucrats and incurable apparatchiks capable of anything and for whom exacting responsible work on behalf of the state means nothing, but intrigue means everything.

There is no dispute that scandals and recklessness of the Slovak caliber are inconceivable under Czech conditions.—the fact that, in the last elections, our citizens gave no chance to political windbags and sour-faced ignoramuses made a substantial contribution to the breakup of the Federation.

No nation, however, is absolutely immune to demagogues. Masters of rhetoric promising us the earth are again raising their heads in our country. We will also come across leaders in our country for whom personal hatred of another politician is the driving force. There

are also snipers here who make a scandal out of politicians' family members without any evidence. Let us pay proper attention to them.

Property Fund Head: Privatization 'Speeding Up'

95CH0350B Prague CESKY TYDENIK in Czech
3 Aug 95 p 23

[Article by Lukas Kyjovsky: "National Property Fund Claims Involving Late Payments Continue To Exceed 7 Billion Korunas"]

[FBIS Translated Text] Privatization in the Czech Republic has not slowed down, but rather is speeding up. This is documented particularly by the number of concluded privatization projects for the period from July 1994 to June 1995. Compared with the time when the National Property Fund (FNM) was headed by Tomas Jezek, this is an average growth of 40 percent.

The above information was provided by Roman Ceska, chairman of the Executive Committee of the FNM. According to Ceska, an optimistic picture is provided by direct sales, which make up the principal balance sum for the FNM as well as being the principal object involved in the activities of the fund following the end of coupon privatization. In recent times, some of the sales involved were the shares of Telecom, Unipetrol, and some producers of cargo trucks. The number of contracts concluded that involved direct sales increased specifically. In the T. Jezek era, there was an average of 680 contracts per year. Last year, more than 1,000 contracts were concluded. "It is possible that the hypothesis could arise that more simple contracts involving smaller volumes of property were concluded, but this does not square with the overall volume of revenue," Ceska added. Since the beginning of 1995, a change in methodology compelled the temporary deferral of auctions for three months and resulted in putting off public competitions for a period of six months. In the case of public competitions, the method of sale has changed completely and a transition was made to a system of external firms. The parliament of the Czech Republic approved a proposal by the FNM in June that will make it possible to finance external firms hired to organize public competitions and auctions. It was precisely the method of financing, as outlined in the amendment to the law on large-scale privatization, which practically blocked all realization of privatization projects because it prevented the conclusion of mandating contracts with external firms. The amendment stipulated that a percentage remuneration based on the price of the sold enterprise, which should rightfully have gone to the external firm, was to be incorporated into the FNM budget. Rep-

resentatives of the fund argued that it was impossible to stipulate the amount of such costs because they depended on the price at which the organizing firm can successfully sell a privatized enterprise. After parliament approved the supplement to the FNM budget, all prepared mandating contracts with external firms were concluded. At the present time, work has begun on realizing public competitions valued at 11.5 billion korunas [Kc]. However, revenue based on these contracts should not show up in the management of the FNM until the end of 1995 and the beginning of 1996.

According to Ceska, of the Kc153 billion worth of property that had been designated for standard methods of sale, only Kc36 billion remains. In terms of securities, of the Kc692 billion of nominal value of such securities, only 255 billion remain to be privatized. Of this volume, Kc160 billion worth of securities will not be privatized in the immediate future (they involve strategic corporations or corporations in which the FNM, at the request of the government, is implementing its stockholder rights). The remaining securities will, in part, be transferred free of charge and partially sold on the capital market or through public competition. In the period from July 1992 through June 1994, the FNM "earned" Kc56 billion. During the course of last year, this amount was more than Kc39 billion. Currently, the FNM has claims based on late payments valued at more than Kc7 billion. According to the chairman of the Executive Committee of the FNM, the fund will likely no longer acquire some Kc2 billion.

Tomas Jezek is resisting Ceska's arguments regarding the improved management of the fund. It is necessary to note, in reference to his defense, that, after its inception, the fund was something completely new in our economy and that is why it was also more frequently attacked by the political opposition. The management of the fund had to procedurally prepare for coupon privatization and initiate it. That is why management could obviously not devote itself overly to direct sales. Ceska arrived when things were virtually completed and when the FNM no longer had such problems with organizing the second round of coupon privatization as it had had to deal with during the first round. Nevertheless, despite the fact that Jezek is certainly a good economist, his organizational capabilities are not as strong. Jezek's indecisiveness in solving the problems is reminiscent of the fable of the donkey who stands between two sheaves of straw and cannot decide which one to start on. That is why, at the present time, the more flexible Ceska appears as a more suitable personality involved in the current operations of the fund.

President Kovac Refutes Meciar's Accusations

*LD0211214495 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1736 GMT 2 Nov 95*

["Full text" of "statement" by Slovak President Michal Kovac; place and date not given—recorded]

[FBIS Translated Text] Esteemed citizens; during the last 12 months the internal political situation in Slovakia has become antagonistic to such an extent as to alarm not only coalition or opposition politicians, but above all our general public, and lately, the government circles of the European Union and the United States as well.

Repeated diplomatic demarches delivered to our prime minister testify to this. Our public has already been roughly acquainted with their content. Therefore, it is not surprising that the prime minister felt he had been addressed, and on Friday, 27 October, in a 15-minute interview on Slovak radio, he delivered his own definition of the internal political problems in our country. Given its specific one-sided approach toward the Slovak president, even bias against him, one cannot stay silent.

His entire radio interview has merely served malicious, propagandistic half-truths and fabrications to our public. This clearly shows the true misery of our domestic policy. The only thing which should perhaps be appreciated is that, unlike some ministers absorbed in geopolitical constructions and plots, the prime minister, looking for the cause of foreign alarm, finds it in our country. According to him, the country faces an internal problem, with the president allegedly responsible for what has happened. Until recently, the prime minister found it difficult to admit that anything at all happened.

Now he has admitted it, but in the same breath swaps the cause for the effect, as if it were the president and not the current prime minister who was in charge of parliament the night of 3-4 November 1994. Without any discussion, without taking into account fresh election promises made in the spirit of the words of no dispute ever again, our parliamentary system was in fact changed that night from a proportional to a majority system. Moreover, at present, generally accepted democratic rules are not being applied, not even within the framework of this majority system.

Hysteria started when various investigation commissions were formed, when the name of one of the parties properly elected to parliament was blackened despite the decisions by election commissions and the Constitutional Court.

In total contradiction of democratic ways, the mass media were in fact forced once again to serve the [government] coalition. In the prime minister's view,

whoever protested against this—be it an ordinary citizen or the president—was in fact casting doubt on the entire state. He has relied on people's failure to distinguish between the state and the politics of the government coalition. However, the state is in no way represented exclusively by the prime minister and the government.

In the interest of the good reputation of our young state, it was necessary to say publicly that what happened during that night under the cover of darkness was a deformation of our state's democratic foundations and that it was enormously damaging its good reputation.

It is not surprising that sympathizers of our democratic development in the European Union, independent from internal opponents of this adventurous policy, send us their first demarche. But the coalition did not come to its senses. The coalition government and parliamentary voting machine made many internal political steps, aimed at weakening the legitimate influence of the opposition and other groups of citizens on state policy. To conceal these steps, while dismantling the post-1989 democracy, the coalition, led by the prime minister, began the dirty campaign against the president. The prime minister has long been listing various possibilities to remove the president, and even resorted to means of libel and of morally discrediting the head of state. The prime minister made nonsensical claims that Michal Kovac is playing with billions of Slovak crowns, and that he is involved in many financial affairs. He also tells delirious stories about foreign accounts of the president's son, which, according to his statement, are large enough to increase the wages of all Slovak physicians.

Whoever could live with such monstrous allegations against the head of state? What rational person would be ready to regard the fact that the president has defended himself against actions by the prime minister that slander his own country? Who is truly discrediting the reputation of the country and the good name of Slovaks and Slovakia throughout the world? Member countries of the European Union and the United States of America, who aired their stances in demarches, should know best. Through diplomatic missions on our soil, the world is watching closely the unfortunate battle for power, which recalls the return to a totalitarian regime, where liquidating its chief opponent was the ruling principle. Such principles to me, as president of the country, are alien, and I am making it my duty to exercise my constitutional jurisdiction to stand up against overbearing politics and a reluctance to lead dialogue. The fact that the president has to resist being pushed around and refute bogus accusations to protect democracy, the Constitution, and law and order, is a subversion of the government and even the constitutional framework, and a

blatant distortion of reality by the prime minister. While the president criticizes some dubious methods of governing by the prime minister and parliamentary majority, the prime minister views it as casting doubt on democracy, treason, and attacks against the country. But it is his very own governing practices that defame the president, with unsubstantiated fabrications, and accusations of various financial frauds that obviously cast doubts on our young democracy. Sullyng the head of state, in other words, what he describes as a patriotic deed, protection of democracy, and principles of a legal country, and protection of the Slovak statehood. A democratic populace, including myself, regards the continued pursuance of what is pointed out in demarches of EU member countries as undermining constitutional provisions. Centralization of power in place of decentralization, strengthening state dictatorship [dirigism] instead of expanding the free market system, enlarging areas of state control, disrespecting laws and politically misconstruing their formulations, in addition to declarations by the highest officials of the coalition government parties that clearly contravene cabinet's manifesto can hardly cast more doubt on the credibility of the state.

Imagining the consequences of such actions is horrible. Any rationally thinking man knows which of us is confrontational, irreconcilable, and lusting for power. It is not the president who must be replaced but the internal political methods that drive society into needless skirmishes, casts shadows over the principles of a legal country, and most certainly bring our country into international isolation.

Therefore, each demarche that the government must face has not arrived at the behest of the president or as a result of his criticism; it is an unequivocal reaction to the political actions of the government and the parliamentary majority.

One may agree with the prime minister in saying that at stake is the state, and his acceptance in the international community. It needs to be pointed out, however, that we must now seek a fresh acceptance, for a whole host of problematic steps taken by the current governing coalition has not only damaged our international credit, but also cast a shadow over our orientation to European and transatlantic organizations.

By the same token, one can agree with the prime minister's suggestion that cooperation between government institutions should be improved. The president of the republic has long been prepared for such collaboration. It is high time that the other side showed good will, too. It would be useful to renounce designs on power-grabbing and concentration of power, and focus on collaboration between institutions, and strengthening democratic gov-

ernment, and civil law, for that is the only road leading to our common good, equal opportunity for all, the strengthening of living certainties of citizens, their free thinking and behavior. That is the road leading to the all-round development of our country, and a peaceful, respectable, and happy coexistence of all citizens of our country.

Article Claims Meciar 'Nervous' About Demarches

AU0211135195 Prague MLADA FRONTA DNES
in Czech 31 Oct 95 p 9

[Article by Karol Wolf: "Meciar Has Gone to Russia To Discuss a Joint Trade Area"]

[FBIS Translated Text] Bratislava—Slovak Prime Minister Vladimir Meciar, just prior to his departure for Moscow yesterday, declared that the ideas about forming a customs union between Slovakia and Russia are premature. According to him, forming a joint trade and economic area will do for Bratislava for the time being. The head of the Slovak cabinet was reacting to a report that Slovak Finance Minister Sergej Kozlik was in Russia to discuss a customs union. Kozlik has been holding talks in Russia for several days.

The Slovak prime minister refused to answer a question on whether it is possible to view the ideas about forming a joint economic area as paving the way for the establishment of a customs union. He boarded his aircraft without further comment.

The reporters present were all of the opinion that the head of the Bratislava government was unusually nervous. An anonymous source from the Government Office has also confirmed that Meciar has been yelling at his colleagues recently.

Observers assume that the prime minister grew nervous last week after he was given two protest notes—first, from representatives of the European Union countries and shortly afterwards from the U.S. ambassador in Bratislava.

Western diplomats, on behalf of their cabinets, conveyed to Meciar their alarm at the developments on the Slovak political scene and their concerns about the fate of Slovak democracy. In addition, the U.S. ambassador emphasized to him in particular that the United States expects an improvement adding that, otherwise, Bratislava will lose its support.

According to sources from Bratislava diplomatic circles, the delivery of the EU demarche took place in an awkward atmosphere and Meciar, apparently, did not want to accept it at all because it does not proceed from true information about Slovakia and is tendentious.

Regarding the charge d'affaires of the Italian Embassy, Puglio, who was a member of the Union's delegation, Meciar allegedly said that a representative of unstable Italy has no right to criticize stable Slovakia. According to accessible sources, the EU countries' diplomatic note eventually ended up on the sofa in the Government Office's reception area.

In connection with Meciar's (the second this year) official visit to Moscow, observers are pointing out that the British ambassador in Bratislava asked the Slovak prime minister as early as last year to say how far Bratislava intends to go in its relations with Russia.

Slovakia's current offensive in Russia, combined with the arrogant statements aimed at Western countries, may—according to some analysts—be a sign of the Meciar cabinet's definitive departure from its proclaimed attempts to incorporate Slovakia into Western structures, even though the prime minister denies this.

Western Demarches Criticized

AU0311125795 Bratislava SLOVENSKA REPUBLIKA
in Slovak 31 Oct 95 p 3

[Commentary by Juraj Fuchs: "Just Like Under Brezhnev..."]

[FBIS Translated Text] Let us remember. After his election as first secretary of the Communist Party of Czechoslovakia, Alexander Dubcek wanted to reform communism and, on 6 April 1968, he abolished censorship. This terrified Leonid Brezhnev in Moscow and Walter Ulbricht in Berlin because totalitarianism does not tolerate any freedom. Ulbricht accused Dubcek of creeping counterrevolution and Dubcek had to defend himself at a meeting of the Warsaw Pact, had to dissociate himself from the West, and swear his loyalty to the Soviet Union. The reform continued, the press kept exposing the crimes of Stalinism, and Ulbricht (at the behest of Brezhnev) enforced new Warsaw Pact summits in Bratislava and Cierna nad Tisou. Dubcek's new assurances of loyalty were not deemed sufficient and, during the night from 20 to 21 August 1968, Warsaw Pact troops occupied us. Dubcek was arrested, escorted to the USSR, and forced to sign the "Moscow Treaties." One of them was published, the other one kept secret. The first meant a permanent occupation in the shadow of tanks, aircraft, and guns shielded, during the normalization era, behind the limits of our cities. The second secured leading positions for Bilak, Indra, Jakes, Husak, Kapek, Kolder, Svestka, Hofman, and Lenart. These nine people could not be dismissed without Moscow's consent.

History has its parallels, but also its irony. "By coincidence," Michal Kovac was in the United States when

the troika of EU diplomats and the U.S. ambassador delivered to Prime Minister Vladimir Meciar an "aide memoire" (the opposition claims it was a demarche) expressing concern about the development of democracy in our country, the fate of the president, and the alleged abduction of the president's son, who is wanted by Interpol. "By coincidence," virtually the same words of concern were expressed before by Michal Kovac, Jan Carnogursky, and Peter Weiss. In 1968, Vasil Bilak was warning us in advance that Brezhnev would not tolerate Dubcek's reforms. Now we were warned in advance against a "EU demarche" by the former deputy chief editor of SVET SOCIALIZMU [World of Socialism; reference to Julius Gembicky, now a commentator for NARODNA OBRODA]. Oh, what a "coincidence"!

With what crimes is Slovakia threatening democracy? The diplomats were not able to mention any. The "aide memoire" was handed over by the Spanish, Italian, and French diplomats on behalf of the EU and by the U.S. ambassador. Should these countries serve as a model for us? Should it be Spain with its approach to minorities (Basques, Catalonians)? Or Italy, shaken by corruption scandals jeopardizing the very essence of democracy, which has had more governments since the republic's founding than the republic is old? Or should France be a model for us? With its social unrest, with its policy toward the Corsicans, or its law on the protection of the language? Should we treat the Hungarians or Romanies the same way as the U.S. police treats blacks in some U.S. states? In the United States, a court even freed policemen who openly beat up blacks. It is interesting that the EU and the United States did not protest when 50,000 people in Hungary were ostentatiously burying, in the presence of the government, M. Horthy, the founder of European fascism, who actively fought Western powers in two world wars. Was this not a case of reviving fascism?

The EU and the United States are not going to occupy us with tanks, even though the followers of Kovac and Carnogursky would not have any problems writing letters of invitation. The modern fifth column in Slovakia already has its accounts abroad. The banks will not betray them. We are only an EU associate member and already they are interfering in our internal affairs and want to dictate to us our style of life and work, like Brezhnev once did.

Meciar Views Cooperation With Turkmenistan
LD0311110195 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1700 GMT 2 Nov 95

[Interview with Slovak Prime Minister Vladimir Meciar by correspondent Maria Mikusova; place and date not given — recorded]

[FBIS Translated Text] [Mikusova] Prime Minister, a number of times during preparations for the visit [to Turkmenistan] and during the visit itself you stressed that Turkmenistan is an interesting partner for us. Can you explain this for us?

[Meciar] What is important for us about that country [Turkmenistan] is its economy. There are enormous gas reserves there. Together with Russia, they have more than half of the world's reserves there. There are large oil reserves, which we want to exploit. There are huge areas of salt, iodine, and precious metals, and the Turkmens want to bring all that up to the surface and make use of it. Such enormous mineral wealth has obviously aroused great interest even in (?other) countries, even the most developed ones. The United States has a very strong presence there. Turkey, Iran—everyone is involved. Nor has Russia abandoned this area, naturally.

We used to export goods to the Soviet Union through Moscow which then arrived there. Now they do not arrive there. However, the need is there on both sides—ours and theirs. We have, therefore, agreed that it would be realistic to expect goods turnover to grow to a level of 3.3 billion Slovak korunas [Sk] next year. That is a preliminary estimate, which must first, of course, be [words indistinct] both sides. We agreed on the participation of Slovak companies in capital investment in those companies [words indistinct]. We agreed on the handing over of technology, on the setting up of and participation in the setting up of new companies. And another important element in what they offered us was for the Slovak Republic to supply technology for [words indistinct], for small and medium-sized businesses. We expect [words indistinct] bakers, (?brewers), and craftsmen, [words indistinct]. The government is allocating \$10 million for this purpose. Those who deal with technology for small businesses thus gain [words indistinct] for 1996, because they have given us priority over others here.

[Mikusova] A common border with Turkmenistan would make our trade substantially easier but as it takes almost seven hours by air to get from Bratislava to Turkmenistan, it is a more complicated business. What use will be made of trilateral agreements—specifically

cooperation between Ukraine, Turkmenistan, and Slovakia—to simplify our relations?

[Meciar] (?Our ironworks import) ore from Ukraine, and Ukraine imports goods from Turkmenistan, and thus a realistic option exists for payments through the supply of Slovak goods to Turkmenistan to be used to pay for supplies from Turkmenistan and Ukraine. Through this trilateral arrangement, we might thus guarantee payments of \$50 million, that is, Sk2 billion. The Turkmen side gave us written confirmation and approval of these transactions and I had already been given Ukrainian approval earlier.

[Mikusova] At the beginning of our interview, you said that Slovakia has something to offer Turkmenia and that Turkmenia welcomes cooperation because we are more developed. Would you say that we could learn from Turkmenistan as well? On the other hand, is there anything what we would not like to learn from them?

[Meciar] During such visits as this one I do not say anything critical, out of politeness to my hosts. Naturally, each of us has his own traditions and ours is different in the spheres of religion, culture, and historical development. There are some fundamental differences between us. For instance, polygamy is now being reintroduced in Turkmenistan.

As for things which we can learn from them, it is not merely [word indistinct] and oil. There are opportunities for wider economic cooperation as this is a bigger territory than that of France and there are 4.4 million people living here. There are openings in agriculture: they put emphasis on cotton production and they harvested 1.3 million [metric] tons of cotton this year. We need some of it for our processing industry.

Every business consists of offering an advantage in order to gain an advantage. And this is the mission and aim of our visit—to offer an advantage in order to gain an advantage.

Russian Official Confirms Supply of Oil for 1996

AU0311085395 Bratislava HOSPODARSKE NOVINY
in Slovak 30 Oct 95 pp 1, 6

[Article by Maria Mikusova: "Seven New Agreements With Russia"]

[FBIS Translated Excerpt] The fourth meeting of the Russian-Slovak and Slovak-Russian Intergovernmental Commission for Trade-Economic, Scientific-Technical, and Cultural Cooperation was held in the Russian capital on 26-27 October. [passage omitted]

After the first day of the intergovernmental commission's work, it seemed that the most surprising outcome

of its autumn session would be the Slovak side's proposal to study the possibilities of concluding an agreement on a customs union between the Slovak Republic and the Russian Federation. Reports to this effect were released, independently of one another, by the INTERFAX and ITAR-TASS agencies. [passage omitted] Asked about the details of the Slovak proposal at a news conference held after the commission's session, Deputy Prime Minister Sergej Kozlik replied that "during my visit to Moscow in January, we were discussing with Yuriy Yarov, cochairman of the commission, and Minister of Economy Yevgeniy Yasin the possible aspects of the establishment of a free-trade zone, not a customs union. At any rate, we are interested in gradually eliminating obstacles to mutual trade relations."

One outcome of the two-day commission meeting is the Russian side's promise to establish a joint gas

venture between Gazprom and Slovensky Plynarensky Priemysel [Slovak Gas Industry]. Russia and Slovakia declared their interest in expanding cooperation on the construction of a branch of the Yamal transit gas pipeline, through which Russian gas will be conveyed, across Slovakia and Hungary, to Italy. Russian Deputy Prime Minister Yarov confirmed that Russia will deliver to Slovakia next year 5.1 million metric tons of crude oil and \$70 million worth of nuclear fuel.

Regarding cooperation in the field of science, experts agreed to form a commission that will study the possibilities of expanding Slovakia's participation in the nuclear program of the Dubno international research and science center. [passage omitted]

Poll Shows Confidence in Constitutional Court

AU0211213695 Budapest NEPSZAVA in Hungarian
1 Nov 95 pp 1, 4

[Unattributed report on results of opinion poll carried out by the Marketing Center National Opinion Poll Institute from 6 to 10 October: "The Public Has Confidence in the Constitutional Court"]

[FBIS Translated Text] Most people regard the halting of the drop in living standards as the most important task of the government, but they do not regard the need to reduce the budget deficit as a major task. Thus, it is not surprising that the government's economic restriction measures were rejected almost unanimously. The fact that the Constitutional Court again declared as invalid some elements of the Bokros package was in harmony with the aforementioned public mood. As a result of this decision, the confidence index of the finance minister dropped to the lowest level so far, while that of the Constitutional Court increased by 5 points. With this increase, the Constitutional Court is now heading the list of political institutions on the basis of their confidence index.

For a long time, supporters of the Hungarian Democratic Forum [MDF], the Christian Democratic People's Party [KDNP], and the Independent Smallholders Party [FKGP] have had a considerably worse opinion about the Constitutional Court than the average. It seems, however, that today they forgave the decisions affecting the compensation law and the law on providing justice: the evaluation of the Constitutional Court improved by 8-12 points among these people. At the same time, supporters of the Hungarian Socialist Party [MSZP] and the Alliance of Free Democrats [SZDSZ] are not furious about the "tapping" of the Bokros package either, so there are not considerable differences among the various party supporters in their evaluation of the Constitutional Court.

In addition to the Constitutional Court, the confidence index of the trade unions changed more than the error limit between September and October. Besides, confidence in trade unions has been alternating in the long term (between 35 and 28 points). The debates in connection with Sandor Nagy and the strike threats must have damaged the trade union's evaluation this time. Particularly, the opinions of males and FKGP supporters about the trade unions were worse this time than one month ago.

The confidence index of the institution of president of the republic dropped by 3 points, and that of President Arpad Goncz (as a politician) dropped by 4 points. The difference between the two figures is

usually 7-8 points in favor of the person. The first change is within the error limit, the second change exceeds this limit. All in all, the evaluation of the institution of president of the republic deteriorated by 9 points in the past year. However, confidence in Arpad Goncz dropped by 12 points in the same period of time, so the difference between the two figures has somewhat decreased. As opposed to the evaluation of the Constitutional Court, the evaluation of the president of the republic increasingly depends on the people's party affiliation. For quite some time, both the Constitutional Court and the president of the republic have been most popular among SZDSZ supporters, and the least popular among FKGP supporters. The difference between the evaluation of the Constitutional Court among the supporters of the aforementioned two parties decreased from 11 points to 4 points between September and October; in the case of the president of the republic, the difference increased from 13 points to 27 points.

The 64 points confidence index of the Constitutional Court derives from the fact that 28 percent of the people surveyed have full confidence in this body, 32 percent have considerable confidence, 16 percent have little confidence, and only 10 percent have no confidence in this body. (The remaining 14 percent refused to evaluate the body). Some 13 percent of the people in the survey showed lack of confidence in the president of the republic, but 32 percent have full confidence in him. Some 36 percent have no confidence in the trade unions, and 44 percent have no confidence in the government.

The end of the coalition crisis and its renewal was the most important domestic political event of the period between the previous and current opinion polls carried out by the Marketing Center. As a result of these events, the opinion of MSZP and opposition supporters about the government slightly deteriorated, but that of the SZDSZ supporters improved somewhat. So much so that the SZDSZ supporters again have more confidence in the cabinet than the supporters of the opposition. In any case, this shows that the SZDSZ supporters had slightly more confidence in the survival of the coalition in the second phase of the crisis than the others. As a whole, however, the evaluation of the government has not changed. The 1 point drop in the satisfaction indicator, and the 2 points drop in the confidence index are well within the error limit.

Air Defense Issues Before National Assembly

95CH0359B Budapest MAGYAR NEMZET
in Hungarian 31 Aug 95 p 6

[Article by (bodnar): "Hungarian Air Space Sovereignty Before Parliament: Rocket Development Starts Next Year"]

[FBIS Translated Text] *Defense Minister Gyorgy Keleti intends to strengthen Hungarian air defenses by proposing two National Assembly resolutions. Although legal provisions involving military policy generally carry little weight, approval of proposed resolutions by parliament concerning the preservation of air defense capabilities near the earth surface and at low altitudes, and concerning the development of air defense radar reconnaissance and information and guidance systems has fundamental significance from the standpoint of sovereignty over Hungarian air space.*

The Ministry of Defense is awaiting parliament's approval to begin withdrawing [as published] short-range air defense rocket complexes, and concurrence for the Ministry of Defense to launch a development program in order to preserve and modernize air defense capabilities. In the framework of this program, modernization would take place in two phases after 1996, based on an international tender and in due regard to Hungary's financial situation. They are planning to purchase a sufficient number of "medium range" rocket complexes to equip 15 air defense platoons in the first phase starting in 1996 and ending in the year 2000, and at most 30 air defense platoons in the second phase, ending in the year 2005. The National Defense Committee of parliament would countersign the tender invitation before it is issued.

Insofar as costs are concerned, they would pay for the modern military technology in the course of eight to 12 years, after a three-year moratorium. The military policy background of the soon to be debated proposed resolution already submitted by the government to parliament can be conveyed well by quoting from the official argument: "The Hungarian Honved [National Defense] Forces' air force and air defense units can perform their basic function in times of peace and war only if they are ensured of being able to detect aerial targets on time, and if they possess active means of military technology which, by virtue of their capacities, are capable of taking counteraction commensurate with the gravity of the action, and, if necessary to destroy aerial means of attack. At the same time, the failure of any one of the national defense elements would have an impact on the entire system's capability to operate. According to military experts, the existing means of air defense are capable of performing their functions

at medium (1,000 to 3,000 meters) and high (above 3,000 meters) altitudes, at the same time, however, the system is fundamentally deficient insofar as air space close to the ground, or at low altitudes is concerned. The reliable detection of aerial targets by radar, and the timely alerting and deployment of active weaponry are not ensured."

From among the presently standardized nine types of air defense rocket complexes six have the function of providing defenses near the earth surface and at low altitudes, but the working life of four of these types expires by the year 2001. The remaining two types are unable to fully perform the tasks. For this reason, the proposed resolution submitted to parliament makes clear: We must declare that the Hungarian Honved Forces are capable of only partially fulfilling the "contain and defend" mandate from among the basic principles of national defense.

Based on available offers, the weaponry to be acquired in the first phase would cost between 10-11 billion forints [Ft]. The estimated cost of the rocket complex to be acquired in the second phase would cost twice as much, or about Ft20-21 billion. Accordingly, preserving and modernizing air defense capabilities would cost a total of Ft30-32 billion in the short term.

The radar detection acquisition program would require an investment of similar magnitude. In this regard, only the basic system would be developed in the first phase by 1998. This would include the acquisition of an automated central guidance system using aid provided by the U.S. Government, the costs of national air defense equipment (or, using NATO terminology: air space sovereignty direction center), and further, the acquisition costs of two long-range radar systems and their installation at the higher points of elevation of the Bukk and Mecsek mountains. The first phase of developing this system would consume about Ft20 billion. The National Assembly is expected to schedule urgent debate over the proposals to ensure conditions of state sovereignty in Hungarian air space.

FIDESZ Head on Chances of Opposition Alliance

AU3110151495 Budapest MAGYAR HIRLAP
in Hungarian 26 Oct 95 p 6

[Interview with FIDESZ Chairman Viktor Orban by Attila Farkas; place and date not given: "The Six-Party Parliament Is Unable To Deal With Hungary's Crisis"]

[FBIS Translated Text] [Farkas] To what extent will the Civic Alliance determine the future of the Federation of Young Democrats [FIDESZ]? The FIDESZ has recently been most forcefully urging the establishment of this alliance....

[Orban] The FIDESZ favors deep cooperation with the Christian Democratic People's Party [KDNP] and the Hungarian Democratic Forum [MDF], and not only from party interests because, such a cooperation might even oppose our short-term interests. With this alliance, the FIDESZ gives up the advantages derived from the fact that we did not participate in the recent cabinets, so we are not responsible for the government mistakes of the past five years. We regard the aforementioned cooperation as important primarily because, in my view, the six-party governing has failed. Such a polarized parliament is unable to deal with Hungary's current serious crisis. If we fail to create two major forces in Hungary today, complete with constant internal structures and party composition (preferably a center Right and a center Left), the Hungarian National Assembly might become unsuitable to lead Hungary out of the current economic crisis.

[Farkas] At the moment, however, it seems much more plausible that the parties of the parliamentary elite will separate into three marked trends: in addition to the coalition and the aforementioned opposition parties, the right wing represented by the Independent Smallholders' Party [FKGP] seems to be noticeable according to the opinion polls....

[Orban] Momentary opinion polls are secondary for us. Besides, if we add up the results of the FIDESZ, KDNP, and the MDF, we will see that they exceed the amount of support for the FKGP. However, I would not overestimate this either; as for the current 23 percent of the FKGP, I say that there were times when support for the FIDESZ exceeded 30 percent and, nevertheless, we have not become a determining party of the political spectrum. We are talking about a transitional situation here: The current "beauty contest" is one thing, and the election is another.

[Farkas] At the same time, the KDNP is increasingly advancing toward the FKGP. What if the KDNP National Board refuses the Civic Alliance and prefers to link its fate to the National Alliance urged by the FKGP? There seem to be serious chances for this, given the various statements and the concrete alliances in the provinces.

[Orban] There is no cooperation in which any of the partners could rape its possible partner. If the KDNP takes this position, we must acknowledge this. Of course, the KDNP position has its own moral basis, because they are strongly convinced that a strong and large Christian Democratic party must be created in Hungary, because this can be the alternative to the leftist government. In my view, however, not one of the three moderate center-right opposition parties in Hungary today has the power resources to be able

to claim that they might be capable of representing an alternative to the current 72 percent government majority. If the KDNP wants to take a different road, we will acknowledge this, but our policy regarding the alliance will remain clear: we will continue to try to cooperate with the MDF and the KDNP in the future too. At most, this cooperation will slow down, and it will not be so deep as the current political situation would require it.

[Farkas] The KDNP strongly urges cooperation with the FKGP, and this demand is also present in certain MDF circles. The National Alliance is in formation. Could this represent a bridge to also include the FKGP in the cooperation of opposition parties?

[Orban] In my opinion, the inclusion of the FKGP is neither timely nor desirable. The FIDESZ does not want to confront the FKGP, and we are striving for peaceful coexistence with the FKGP, but there is a huge difference between peaceful coexistence and alliance. For example, we would prefer to see the FKGP turn most of its energy to taking a stand against the center-left coalition, rather than to denigrating the other opposition parties.

[Farkas] You mentioned the center Left as a joint enemy. Does this mean that, in the long term, the FIDESZ excludes any cooperation with any of the parties of the government coalition?

[Orban] I regard such a cooperation as unimaginable in the foreseeable future.

[Farkas] However, the FIDESZ sometimes comes up with unexpected personnel ideas. For example, you personally praised the suitability of Sandor Nagy recently, and the FIDESZ proposed Bela Pokol, the adviser to the FKGP chairman, as Constitutional Court judge last week.

[Orban] We are talking about two different issues here. FIDESZ only regards the personnel issues of the Hungarian Socialist Party [MSZP] as public issues inasmuch as they are connected with national interests. Sandor Nagy was important for us because he offers some kind of an alternative to the Bokros economic policy, a policy we regard as mistaken. This means that some kind of an economic policy change within the MSZP is possible, and this would be in the country's interest and, this way, this is an economic policy issue, rather than a personnel issue. As for Bela Pokol, it should be noted that two positions of two Constitutional Court judges have been empty for one year. The negotiating delegation of the opposition has already accepted the candidate of the governing parties; however, the coalition has refused two candidates of the opposition so far, although

the coalition has been unable to bring up any professional objections against them. We proposed that Bela Pokol move the negotiations away from the current impasse.

[Farkas] In his case, political objections are obvious....

[Orban] On the basis of professional criteria, Bela Pokol is suitable for the position. It is a fact that he has political views, and I myself do not agree with most of them either; however, this does not prevent him from becoming an excellent Constitutional Court judge. At the same time, there are members in the present Constitutional Court who were sitting in the negotiating delegation of the former Hungarian Socialist Workers' Party [MSZMP], but we have never questioned their professional qualities. Therefore, I would be cautious in providing the political evaluation of professor Pokol.

[Farkas] In connection with the Civic Alliance, to what extent might this affect the future of the FIDESZ? Would this alliance lead to the creation of a single

big conservative party that would also consummate the FIDESZ?

[Orban] The political parties that fear that their own character and program might dissolve in a cooperation that guarantees equal ranks only admit their own weakness. A strong leadership, a strong spiritual character, and a strong political platform exclude this possibility. The FIDESZ has a platform, a clear past, and leaders with a strong character, so I am not afraid of being swallowed up.

[Farkas] Does the FIDESZ also have membership and an adequate organization for functioning after unsuccessful elections?

[Orban] Organizationally, the FIDESZ has already been in both worse and better situations. Our party is reorganizing itself and, after the initial losses, there is an increasing number of clubs and circles where people who sympathize with our program can meet.

Izetbegovic: Continued Serb Crimes Threaten Peace
*AU0211200895 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1800 GMT 2 Nov 95*

[FBIS Translated Text] We have just received a statement from the office of the president of the Bosnia-Herzegovina Presidency. President Izetbegovic, after stating point by point our minimal conditions for peace, ended his address in Dayton with the following words:

I have left until last the issue that is crucial for us at the moment, and that is the unheard-of persecution of civilians in western Bosnia, particularly in Banja Luka and the surrounding region.

After the cease-fire was in place on the fronts, the Serb aggressor stepped up operations against civilians. The front pages of the world press, including those in the United States, are full of disturbing news about continuing ethnic cleansing and the killing of civilians. People are being taken away and are disappearing without trace. These crimes must stop. That is why I ask Serbian President Milosevic to order a stop to these expulsions without delay. I call on the international community, the UN Security Council, Presidents Clinton, Chirac, and Yeltsin, Prime Minister Major, and Chancellor Kohl to take steps finally to stop the terror against civilians in Bosnia-Herzegovina. I assure you that the continuing crimes are threatening the peace process, President Alija Izetbegovic said in his address in Dayton.

Karadzic Interview: Single State 'Impossible'
*AU0211144595 Sofia 168 CHASA in Bulgarian
30 Oct-5 Nov 95 pp 17-18*

[Interview with Bosnian Serb leader Radovan Karadzic by Elena Yoncheva in Pale and Banja Luka; date not given: "R. Karadzic: 'NATO Gave Our Opponents All Information'"]

[FBIS Translated Text] [Yoncheva] Mr. Karadzic, do you still have the feeling that you are the strong side in the conflict?

[Karadzic] We are about 35 percent of the population, and we are conducting a fierce struggle against the Muslims and Croats, who together comprise 65 percent. However, we are stronger, because we are right. We do not want to conquer their territory. We are defending our territory. Ask our soldiers, and you will see that they are literally fighting in front of their houses. The Muslims claim all Bosnia for themselves, and they want to create a Muslim state and Muslim regime in Europe. The Serbs will not allow it.

[Yoncheva] What percentage of the territory of Bosnia-Herzegovina is controlled by the Serbs?

[Karadzic] At present, we control 47 to 48 percent. Until recently, we controlled 70 percent, but we had no intention of keeping it for ourselves. I think that the present situation will not last, because they conquered purely Serbian territory, such as Drvar, [Bosanski] Petrovac, and so on. I will ask Serbian President Milosevic and the international mediators to return those territories to us. Otherwise the war will last longer.

[Yoncheva] Do you think you could get them back through negotiations?

[Karadzic] I believe in this possibility. When we controlled 70 percent, we were prepared to retreat because the international community demanded it. Today, this must apply to the other side.

[Yoncheva] Why did you lose so much territory?

[Karadzic] We were attacked by Croatia, NATO, and the rapid reaction forces. Croatia has four to five times as many soldiers as we do, and is striving to conquer as much territory as possible before the end of the war.

The international community looks upon them with benevolence. We would have been punished for such actions.

[Yoncheva] It has been said that this is a result of your army's poor organization. You fired four generals, and, even earlier, you toppled General Mladic from the post of commander in chief of the army.

[Karadzic] We had some weaknesses. The people are very tired. However, the important thing is to keep the proper proportions. Look, NATO gave our opponents all the information they needed, including the AWACS system....

[Yoncheva] You want to say that NATO presented the Bosnian Muslims and Croats with the victory?

[Karadzic] From the very beginning of the war, the UN forces worked to save the Muslims and Croats from total defeat. We could defeat them completely. Now NATO is not only saving them, but also actively helping them to conquer our territory. NATO joined the war against us.

[Yoncheva] A proposal was voiced to deploy a NATO unit on the territory of Bosnia....

[Karadzic] We are full of doubts regarding their peace mission. We cannot accept this. They could be stationed only along the lines of separation.

[Yoncheva] Are you not concerned with the possibility of sharing the fate of the Krajina Serbs?

[Karadzic] It is impossible. We have a better strategic debt, a larger population, and a better-trained army. I

think that the world would also not allow this to happen. What happened in Krajina is shameful for all Europe. A nation was expelled from its home.

[Yoncheva] How do you view the last U.S. proposal — a united Bosnia with a single president and parliament?

[Karadzic] It is impossible to form such a state. The plan envisages a union of two independent component parts. The Muslims are interested in a single state, because they will be a majority and will rule our fate. We were under the Turkish yoke for 500 years and under the communist regime for 45 years. The Muslims were our masters. There must be two states in Bosnia, but under a common roof. Two states without any central organs or a common government.

[Yoncheva] Would you agree to swap territories? For example, Sarajevo for Gorazde or Banja Luka for Tuzla?

[Karadzic] This is out of the question. We could agree on a corridor from Sarajevo to Gorazde and provide communication lines in exchange for territories in northwestern Bosnia.

[Yoncheva] According to some Western experts, there are about 10,000 mercenaries in the Muslim army. Do you also have mercenaries in your army?

[Karadzic] We have no mercenaries. We have volunteers from Greece, Bulgaria, and Russia. Their number is symbolic. For us, it is important that they represent the fraternity of the Eastern Orthodox peoples. However, as a whole, we do not have a large number of foreign soldiers, and no mercenaries at all.

[Yoncheva] How do you see the role of the superpowers in this conflict?

[Karadzic] The superpowers are trying to take advantage of Russia's temporary weakness and complete their job in Europe and the Balkans. In this enterprise, the United States relies on two allies — Germany and Turkey. I think that this is an erroneous policy, which incidentally, was not initiated by President Clinton, but by the previous administration. Relying on Germany and Turkey means destabilizing Europe.

[Yoncheva] You want to say that a new Balkan war is possible?

[Karadzic] If the conflict escalates, this could cause a Balkan war. This is so because Albania has claims vis-a-vis Macedonia [the Former Yugoslav Republic of Macedonia — FYROM] and Serbia in Kosovo. An escalation could cause at least a Balkan war, and possibly a European war.

[Yoncheva] Your experts are claiming that, supported by the United States, Islam is making a breakthrough through Macedonia and southern Bulgaria.

[Karadzic] I think that Islam is following a global plan, rather than acting only at the local level. They are trying to create a green belt from Turkey through Bulgaria, Thrace, Greece, Macedonia, Albania, Kosovo, and Sandzak — to Bosnia. This is an attempt to effect a Muslim expansion in Europe, and we will not allow it. We are here to struggle against this expansion.

[Yoncheva] Do you think that Bosnia's Muslims should have their separate state, or do you think that Bosnia should be divided between the Serbs and Croats?

[Karadzic] We have nothing against the Muslims having their own state or a united state with the Croats. We are not against Islam. We are Eastern Orthodox Christians. Our religion is a very tolerant one. We are not fighting against Islam, but against Muslim domination. I think that there are more opponents to a Muslim state in Europe than among us, the Serbs. What we want is to not be a national minority in a Muslim state. If the Muslims want to live in their own state — we accept that.

[Yoncheva] Why do you think that the creation of a Muslim state in Europe is dangerous?

[Karadzic] A Muslim state in Bosnia would be very dangerous because of fundamentalism, which already resides here. You are witnessing an absurdity: According to their origin, they are ethnic Serbs who converted to Islam during the Turkish occupation. They are Slavs and have nothing in common with the Arabs or Iranians. However, Islamic fundamentalism is so strong that it turned our Muslim Serbs into the enemies of the other Serbs.

We defended the Christian culture 600 years ago at Kosovo Polje, and we continue to do so today. Unfortunately, so far, no one has thanked us for this, but Europe will soon understand that we are defending it, too.

[Yoncheva] What prompts your advisers to claim that the Bosnian state will be a fundamentalist one?

[Karadzic] It is enough to read the "Islamic Declaration" written by Izetbegovic 20 years ago. In it, he clearly says that fundamentalist Islam does not tolerate other religions and peoples. Izetbegovic himself has shown enough evidence of the fact that he wants a fundamentalist state.

[Yoncheva] In other words, you cannot live with the Bosnian Muslims in any way?

[Karadzic] We can only be good neighbors, but not live in the same political and judicial system. They do not recognize Yugoslavia because the Serbs are a majority in that state, and we do not accept Bosnia, because the Muslims are a majority here.

[Yoncheva] The Bosnian Serbs demand their own state. Would this not prompt other ethnic groups to claim the same? For example, what will happen with the Albanians in Kosovo and Macedonia?

[Karadzic] The Albanians in Kosovo and Macedonia are a national minority. They have a mother state nearby. We, the Serbs in former Croatia and Bosnia-Herzegovina, have never been a national minority, but a people with state responsibility and a constitution. The international community unilaterally recognized the succession of Slovenia, Croatia, and Bosnia within their communist borders. We do not recognize those internal administrative borders of the Yugoslav Federation. We cannot accept them as internationally recognized borders. If Croatia and Bosnia wanted to leave Yugoslavia, they could do this only with the territories that belong to the Croats and Muslims. Thus, the difference between us and the Albanians is great — we are a constitutional-legal people, while they are a national minority.

[Yoncheva] Mr. Karadzic, how would you comment on the accusation that you are sacrificing the lives of your people in the name of a greater Serbian state?

[Karadzic] We have never wanted a Greater Serbia, we only wanted to live in Yugoslavia. When we were denied that, we began to struggle against the Muslim domination.

[Yoncheva] The Western mass media present you as a war criminal. How do you view this accusation?

[Karadzic] The only court that has any meaning to me and the only assessment that matters is that of my people.

[Yoncheva] Why did you lose the media war? Since the very beginning, the Bosnian Serbs were depicted as a savage people who carry out the greatest cruelties.

[Karadzic] This is so because the Western governments wanted it so. We tried to employ public relations agencies, but the Western governments did not allow it. It is wrong to think that, in the West, the media influence the governments. Actually, the media are obedient to the governments.

[Yoncheva] How did the mass media influence the development of the conflict?

[Karadzic] There are certain major mass media companies in the West that concealed the truth for a long time. Thus, the war was prolonged. You may recall the

bloodbath at the bread queue in Sarajevo in 1992. The world accused the Serbs, but when it was proved that this was a provocation by the Bosnian Muslims, they all kept silent.

It appears that the West was entertained by the horrible scenes of the war, which were intended to prompt the necessary emotions. A war is being waged here, and people are dying on both sides. Unfortunately, only one side is being shown.

[Yoncheva] To what degree does the fate of the Balkans depend on the Balkan peoples themselves after the events in the summer and the fall?

[Karadzic] The small peoples cannot control their fates. The fate of the Balkans has always been in the hands of the superpowers. Therefore, Serbs and Bulgarians have fought without any reason. The superpowers have wanted a road to the east through the Balkans. Unfortunately, we, the Serbs, are on this road, and thus we are the victims of the Western aspirations. The most important thing is that the Balkan peoples should never fight against each other. They must cooperate. Then the external forces will respect us as a zone of stability.

[Yoncheva] Mr. Karadzic, who are your allies?

[Karadzic] God is our first ally. As experience shows, he is our strongest ally.

RS Officials React to U.S. Secretary's Remarks

Serb Republic 'Is Not Haiti'

LD0211205095 Belgrade SRNA in Serbo-Croatian
2001 GMT 2 Nov 95

[Quotation marks as received]

[FBIS Translated Text] Sarajevo, 2 Nov (SRNA) — Miroslav Toholj, the minister of information of the Bosnian Serb Republic, today warned in a statement for SRNA that, in line with its state, democratic and freedom-loving traditions, the Serb people would never allow anyone else to impose a puppet government and state leadership on it.

Commenting on the statement by U.S. Secretary of State Warren Christopher that American forces will not go to former Bosnia as long as Radovan Karadzic is the president of the Serb Republic and General Ratko Mladic the commander of the Bosnian Serb army's main headquarters, Minister Toholj said that "this and similar statements are more a part of the nightmare that haunts its authors than the product of a serious state policy."

"Christopher took advantage of the artificial silence that envelops the peace talks in Dayton — which is at

odds with freedom-loving practices, and was imposed by the hosts — to inform the public about the intentions to impose a puppet leadership on the Serb people," Minister Toholj recalled, and added:

"Christopher forgot several very important things. First, American soldiers have not been invited to the Serb Republic at all, and judging by all appearances, they will be denied hospitality here.

Why, then, are people who have not been invited at all now setting conditions for their arrival? The Serb Republic is not Haiti — its leadership is not going to invite U.S. troops as the Haitian leaders did.

Finally, the Serb nation had seen through the democracy advocated by Christopher even before America was discovered. Prior to this war, the Serb people formed its leadership, and it will make decisions on the same issues after the war.

It is high time we said again that the personnel policy in the Serb Republic is not going to be decided upon by Christopher or Alija Izetbegovic, but by the most relevant player — the Serb people — in free and democratic elections, which are to be organized after the end of the civil war for which the above-mentioned gentlemen bear responsibility," Minister Toholj concluded.

Moscow Mission 'Deeply Surprised'

*LD0311115295 Moscow ITAR-TASS in English
1138 GMT 3 Nov 95*

[By Valeriy Sevryukov]

[FBIS Transcribed Text] MOSCOW, Nov 3 (Itar-Tass) — "We are deeply surprised at the statement made by U.S. Secretary of State Warren Christopher about the need to remove President Radovan Karadzic and General Ratko Mladic from power in the Bosnia Serb Republic, arrest them and hand them over to the international tribunal in The Hague," Todor Dutina, head of the Moscow mission of the Bosnia Serb Republic, told Itar-Tass on Friday.

"The tribunal in The Hague has been invented to remove negotiators that are unwilling to follow U.S. wishes," Dutina said. Even in the most terrible Stalinist years, people were not regarded as guilty until they were put on trial. But Warren Christopher "knows from some source that Radovan Karadzic and Ratko Mladic are guilty. This is the best illustration of what kind of trial is in store for Serb leaders," Dutina said.

"If such bias against the Serbs keeps on, Warren Christopher runs the risk of frustrating the nascent negotiating process," Todor Dutina said.

"Nevertheless, we expected such a pronouncement from Warren Christopher, since from the very outset the United States has been obviously upholding the interests of the Moslems and Croats," he said.

"We are surprised much more at something else: the silence of a Russian diplomatic representative at the Ohio talks, who was authorised to represent the Presidential line in the Balkan policy. This line presupposes equal rights of the conflicting sides, full objectivity and impartiality. We do not expect that the Russian mediator will begin to defend the Serbs. We simply hope for objectivity," the Serb representative said.

Serbs Preparing Replacements for Karadzic, Mladic

Behind Closed Doors

*LD0211154095 Belgrade SRNA in Serbo-Croatian
1452 GMT 2 Nov 95*

[FBIS Translated Text] Belgrade, Pale, 2 November (SRNA) — In late October the top political leadership of Bosnian Serbs started, behind totally closed doors, preparing replacements for the most prominent officials. BETA has learned from sources close to the authorities of the Bosnian Serbs.

These preparations are closely linked to the expected signing of a peace agreement in Dayton, following which organizational as well as staffing changes will be necessary in the political and military leadership, the same sources claim.

A few days ago in Pale the political leadership of the Bosnian Serbs agreed in principle that Radovan Karadzic, president of the Serb Republic, and military commander General Ratko Mladic should start preparations for "distancing themselves from their posts." It is likely that some other politicians will have to resign from their posts, too.

According to this source, Nikola Koljevic, vice president of the Serb Republic, and Minister for Foreign Affairs Aleksa Buha (both members of the Serb negotiating team in Dayton) will keep their present posts.

According to the same source, the leadership of the Bosnian Serbs has agreed in Belgrade with Serbian President Slobodan Milosevic that neither Karadzic nor Mladic nor Momcilo Krajisnik, speaker of the Serb Republic's parliament, should be candidates in the next elections for the central organs of the Bosnia-Herzegovina union, but to limit their candidacy to elections within the Serb entity in Bosnia.

The Serbian president is believed to be trying in this way to leave a vacancy for his candidate at the helm of

the Serb entity in Bosnia. For the time being it is not known who might be put forward.

'Anxious To Meet U.S. Demands'

AU0211173495 Paris AFP in English
1727 GMT 2 Nov 95

[FBIS Transcribed Text] Belgrade, Nov 2 (AFP) — The Bosnian Serbs' civilian and military leaders, Radovan Karadzic and Ratko Mladic, will probably resign under pressure from the United States, the Yugoslav news agency BETA reported Thursday [2 November].

Serbian President Slobodan Milosevic, who is negotiating a U.S.-brokered settlement to the war in Bosnia-Herzegovina with the Croatian and Bosnian leaders, was anxious to meet U.S. demands for their removal, said the agency citing sources close to the Bosnian Serb leadership.

Senior Serb chiefs in Bosnia made preparations for the replacement of the main leaders of the self-styled Republika Srpska at a closed-door meeting late last month, BETA added.

The Bosnian Serb leadership agreed in principle at a meeting in Pale, near Sarajevo, a few days ago that the "president" of the Serb Republic, Radovan Karadzic, and the commander of the Bosnian rebel troops General Ratko Mladic would step down.

'Secret Preparations' for Ouster

LD0211220795 Zagreb Radio Croatia Network
in Serbo-Croatian 2100 GMT 2 Nov 95

[FBIS Translated Text] The independent Belgrade news agency BETA today carried the news that the top Bosnian Serb leaders began secret preparations for the toppling of the leading Bosnian Serb officials at a closed-door meeting in late October. BETA quotes sources close to Bosnian Serb authorities. These preparations are closely linked with the expected signing of a peace deal in Dayton, after which changes in the composition of the political and military leadership will be necessary, the sources said.

Several days ago the Bosnian Serb political leaders agreed in principle in Pale that Radovan Karadzic and Ratko Mladic should start preparing to give up their posts. It is possible that some other politicians will be relieved of their duties. The independent Belgrade news agency reported that the Bosnian Serb leaders have reached an agreement with Serbian President [Slobodan] Milosevic that neither Karadzic, nor Mladic, nor Krajisnik should run in the future elections for the joint bodies of the Union of Bosnia-Herzegovina, and

that they should be candidates only in the elections within the Serb entity in Bosnia-Herzegovina.

'Radio Krajina' Agitates for Karadzic Ouster

AU0311122895 Zagreb VECERNJI LIST
in Serbo-Croatian 3 Nov 95 p 8

[Report by F. Samardzic: "'Front' Against Karadzic"]

[FBIS Translated Text] Nova Gradiska — To judge by what is being heard over "Radio Krajina," the days of the number one Bosnian Serb, Radovan Karadzic, are numbered, and his command over Mladic and his army will not last much longer either.

"Radio Krajina" is under the control of the Serb army and is the only radio station that Karadzic did not manage to put under his control. Even though the radio is asking him to call elections and is blaming him for the defeats of the Serb army and the chaos, Karadzic is now publicly saying, after he tried unsuccessfully to prevent it from broadcasting, that the radio station represents a sign of democracy in his parastate.

"Radio Krajina" announces itself "as the voice of the people and their truth, now that the hazardous and willful policy of the state leadership, which did not establish a law-governed state, have resulted in an unenviable situation in the state."

The radio has also broadcast the statement of the so-called Patriotic Front, which says that "war profiteering and anarchy have weakened the morale of the army and the people, and thus the motivation for defense."

What people think about Karadzic and those around him is best illustrated by the radio station's contact programs. In addition to telling them that they are no longer the representatives of the people and demanding elections, the listeners are also saying that, in the four years under Karadzic's leadership, the army has only learned to celebrate and drink, that Karadzic only knows gusle songs [heroic songs played on a one-stringed fiddle], and that he has dragged the Serbs into a myth with which, even with the gusle songs, they will not be able to enter the 21st century.

"Radio Krajina" has also carried the statement by the general staff of the so-called Army of the RS [Serb Republic], which rejects the accusations levied against the five generals who were replaced by the so-called RS Assembly, blaming them for the Serb defeats on the battlefields. The general staff of Mladic's army has rehabilitated all of them, saying that they will remain in their posts.

"Radio Krajina" has also broadcast a statement issued by the Federation of Associations of the Veterans of the

People's Liberation War from Belgrade, which supports the newly-founded so-called Patriotic Front and calls for "accountability to be established before the Serb people not only for the current situation in the Bosnian Krajina, but also throughout the RS. The culprits are now trying to shift the responsibility onto individuals in the army, and this will not succeed," the veterans from Belgrade say.

Apart from accusing their leaders, the new Serb movement in Banja Luka is not bringing anything essentially new to the political scene in Banja Luka. The Patriotic Front, as is stated in its communique, draws attention to the "need for all Serb patriotic forces to close ranks in order to stop Ustashas and raving Muslim bloodsuckers from capturing their land."

Official Warns Against 'Dictating Terms' to Serbs

*LD0211185295 Belgrade SRNA in Serbo-Croatian
1805 GMT 2 Nov 95*

[FBIS Translated Text] [Bosanski] Samac, 2 Nov (SRNA) — The deputy president of the Serb Republic People's Assembly, Milovan Milanovic, has warned that deviation from the principles adopted in Geneva and New York would threaten the entire negotiating process. Milanovic said that the greatest effort at the Dayton conference would be devoted to constitutional arrangements, but also expressed optimism over the final outcome of the peace talks.

"The world has seen that the Serb people cannot be crushed through war, that a unitary Bosnia cannot be imposed on it, and that there is a danger of the war spreading throughout the Balkans," the deputy president of the Serb Republic assembly said.

In an interview with today's Radio Samac program called "Parliament," he said that "full success in negotiations can be achieved only through a compromise between all three nations, not through the international community's practice thus far of dictating terms to the Serbs."

Serb Prime Minister on Talks With Milosevic

*LD0211193395 Belgrade SRNA in Serbo-Croatian
1805 GMT 2 Nov 95*

[FBIS Translated Text] Belgrade, 2 Nov (SRNA) — Rajko Kasagic, prime minister-designate of the [Bosnian] Serb Republic, has stated that the basic guidelines for the future government's work will be the unity and cooperation of key state institutions and the strengthening of the state's defense capabilities.

Stressing that the basic conditions for this are "the functioning of factories and the lifting of the blockade

along the Drina," Kasagic assessed that when the conditions are right, economic cooperation between the [Bosnian] Serb Republic and the Federal Republic of Yugoslavia will be intensified, and this was discussed with Serbian President Slobodan Milosevic.

Speaking about the causes of the territorial losses in the western part of the Serb Republic during the Croat-Muslim aggression, the prime minister-designate warned that "the blame lies with a small number of people, and the Serb Republic's army must deal with them."

In an interview with the independent television station Studio-B, he expressed optimism as regards the realization of Serb national interests at the conference in Dayton.

Bosnian Minister Previews Ohio Peace Negotiations

*AU0211160295 Sarajevo VECERNJE NOVINE
in Serbo-Croatian 23 Oct 95 p 4*

[Interview with Hasan Muratovic, Bosnia-Herzegovina minister for relations with the United Nations, by Jasminka Sabic; place and date not given: "Constitutional Principles Are More Important Than Maps"]

[FBIS Translated Text] During the preparations for his departure to the United States, where he is accompanying President Izetbegovic, and the almost constant sessions of the Government of the Republic and Federation of Bosnia-Herzegovina, Minister Hasan Muratovic has had too little time or too many obligations, depending on one's point of view. He is perhaps the only minister in the Republic and Federation of Bosnia-Herzegovina not to be publicly criticized from any aspect about the way he is carrying out his duties. Where does the secret of his success lie in balancing all the good and bad sides of Bosnia-Herzegovina policy? This, our first question, was occasioned by the minister consenting to (nevertheless) grant us an interview, saying: "Ask whatever you want."

[Muratovic] How do I manage to succeed? I am a rationalist, not a politician. Perhaps that is the reason....

[Sabic] Was it because of rationality that you entered into direct negotiations with the [Serb] aggressor even before that formula was officially agreed to by the politicians?

[Muratovic] During direct talks, one does not lose power and the strength of one's arguments, and the strength and persistence of one's will to overpower the opponent. Such talks are more effective than when held through UN mediators. In the direct talks, which lasted seven days, we solved the problem of water supplies in Sarajevo.

Concessions Are a Necessity

[Sabic] What is it like negotiating with the Chetniks today? Are peaceful feelings to be felt with them, or is everything as usual?

[Muratovic] The difference is that today they must implement what has been agreed, whatever procrastinations and delays they may try. Therefore, it is at the direct negotiations that our persistence and fierce approach come to the fore, unlike the UN mediators, who have never been capable of such an approach.

[Sabic] What is the topic of the next direct talks at Sarajevo airport?

[Muratovic] We shall demand that the power line from Kakanj via Cekrcici and Ilijas to Sarajevo be opened. It would be the first time in the war that this line has operated to supply the city with electricity. Water supplies will also be rebuilt. We shall be opening the reservoir on Igman, which supplies part of Pazaric and several villages, both ours and Serb ones.

[Sabic] Will you go for concessions?

[Muratovic] We will, because it is the only way to keep the unified system of all the roads into the city. Dividing them would not only be difficult, but also would entail immense cost.

[Sabic] Does this mention of a divided infrastructure mean that Sarajevo will remain a divided city?

[Muratovic] I would not like to present my personal opinion. I can tell you that our side in the talks accepts only two possible solutions: Either Sarajevo will be the capital city of the Federation and state of Bosnia-Herzegovina, or there will be international monitoring in which Sarajevo will function as a unified whole.

[Sabic] Sarajevo still has the problem of natural gas. In the new year, the Russians are going to shut off the valves. This time, the liability to pay is shared by us and the aggressor. Who monitors consumption, and how is it done?

[Muratovic] The daily monitoring of the gas entering Bosnia-Herzegovina is already done in Zvornik. We are going to monitor our consumption in Velesici, and the Serb side is going to do so in Doglodi. There is the open issue of Zenica, which will be supplied with gas at Semizovac, although Ilijas is supplied there as well. This should be tackled at the next negotiations at the airport and resolved as soon as possible.

[Sabic] As you are leaving for the United States, let us therefore touch upon current issues. You are accompanying the president to the celebration of the

50th anniversary of the United Nations. And following that....

[Muratovic] If you mean the negotiations, I will not be taking direct part in them, as I have to settle some issues regarding the announcement of UN troop reductions in November, as well as some other things. We shall be talking about this when I come back.

Deputies Have the Final Say

[Sabic] Still, what do you think about the negotiations in the United States?

It will be a hard job. What is important is that the solutions that are to be sought, the variants of the agreement to be offered (its name has still not been decided upon, that is, whether it will be "agreement on peace," or "agreement on ending the war," or "peace agreement"), will not be accepted without our Assembly. Proposals will be put before it and it will have the final say.

[Sabic] What topics are going to be argued about most, the maps or the constitution?

[Muratovic] The key issue will be the division of power between the central state and the two entities, and only then the maps.

[Sabic] For days already, the Chetnik leaders have been persuading Serb listeners to Pale's SRNA that "the Muslim side is counting on the claim that the 49:51 ratio is no longer valid, because the Serbs now hold only 33 percent of territory, which is not going to frighten anybody, as the agreed principles cannot be abandoned".... Is the aggressor preparing his followers for a lower percentage?

[Muratovic] Their main goal is to prepare the population for a rejection of any negotiations and any solution. No solution suits Karadzic, because he will stay in power only while the war continues. The moment the war ends and elections are held, his chances and those of the people around him are zero. This is why he is preparing the public for no agreement.

[Sabic] And what about Milosevic?

[Muratovic] The question is to what extent Milosevic will decide.

[Sabic] The opening of liaison bureaus of the Republic and Federation of Bosnia-Herzegovina and the so-called Yugoslavia took place on the eve of the negotiations in the United States. As the first efficient announcement of future diplomatic relations between two states that have recognized each other anywhere in the world, can this

be taken as an indirect guarantee that Milosevic is the one who makes the decisions?

[Muratovic] Everything that Milosevic has done so far, he did by creating a strong impression among the international community that he wants peace, but we know that he has done only what does not do him much damage. He is doing this again, but we still do not know whether he supports peace. The question is what he needs more for domestic purposes, peace or war. Hitherto, he has kept himself in power with war, but will this peaceful role keep him in power? I doubt it, and it certainly will not in the long run.

[Box, p 4]

"Blue Routes" Before the U.S. Talks

[Sabic] What has happened with the Sarajevo-Kiseljak blue route? Will it materialize?

[Muratovic] The route over Stup is opening next week. At the moment, it goes along Kasindolska Street, but prior to the talks in the United States, it must be fully opened as agreed: It will lead from Sarajevo via Stup and Ildza to Hadzici and Kiseljak.

[Box, p 4]

The Truce Can Be Violated With Valves as Well

[Sabic] Will the first difficulties and disagreements in the Izetbegovic-Tudjman-Milosevic talks be followed by the standard Chetnik blackmail of shutting off the valves for natural gas, water, and electricity?

[Muratovic] They will not, because the starting point of the negotiations is the establishment of the infrastructure. A break in the infrastructure will be automatically considered a violation of the cease-fire agreement. I do not expect the closure of the valves at least as long as the cease-fire lasts. This time, the international community has set a chain of conditions on the peace negotiations, and the threat of NATO force looms over any agreement violation.

[Box, p 4]

NATO Advantages

[Sabic] UNPROFOR [UN Protection Force] is preparing to depart, NATO to arrive. What do we gain with that?

[Muratovic] This one has what no single peace process has yet had: the mechanism to implement what is agreed. The NATO force will do what UN forces could not: guarantee and implement what is agreed, and do so with force if need be. NATO should establish peace, of course, if peace is agreed. Its duty will be to push the armies to the established borders, to ensure freedom of

movement, and control the borders with Serbia. This is why Karadzic's Serbs are not happy about the NATO force. However, nobody is going to ask them for their opinion.

Presidency Member Kljuic on Terror Threat, Future

BR0211161895 Copenhagen INFORMATION
in Danish 1 Nov 95 p 2

[Report on interview with Bosnian Presidency member Stefan Kljuic by Henrik Brun; place and date not given: "Europe Risks Terror if Peace in Bosnia Fails"]

[FBIS Translated Text] "Never has there been a greater possibility of peace. But if the peace turns out to be unjust, the whole of Europe will sense a feeling of terror for many years to come," Stefan Kljuic, a member of Bosnia's top body, the Presidency, warned.

In Sarajevo, the Muslim-dominated government's top body is now eyeing up the chance of ending the war in Bosnia.

"I am extremely optimistic, because the chances of peace have never been greater in all the four years of the conflict. But it is also now or never. For if peace fails — or talk arises of an unjust peace — Europe will feel the consequences for many years to come," Stefan Kljuic, one of the seven members of the Presidency, says.

Stefan Kljuic was in Copenhagen the other day to address the Foreign Policy Society, and INFORMATION interviewed him in that context.

[Brun] Can you expand on what you mean by a just peace, and what the consequences will be if the peace achieved turns out to be "unjust?"

[Kljuic] First and foremost, a just peace will mean that all the refugees from the war are allowed to return home. This means that human rights have to be guaranteed, and that a democratic authority has to be set up for the whole of Bosnia. The latter can only come about if Croatia and Serbia give up their territorial ambitions in Bosnia and respect the internationally recognized borders. We want a Bosnia in which all ethnic groups (Serbs, Croats, and Muslims) have the same rights. That ideology must be the major powers' demands on Izetbegovic, Tudjman, and Milosevic.

In saying this, Kljuic was referring to the presidents of Bosnia, Croatia, and Serbia respectively.

Terror Base

[Brun] And if this fails?

[Kljuic] Then Europe will have problems with Bosnia for many years to come. The Bosnian Government will have to take aid from Muslim countries. And here I am talking not only of Turkey or Malaysia. Iran and Pakistan will be involved as well. The possibility cannot be ruled out that Bosnia will become a center for terrorists intent on carrying out attacks on targets throughout Europe. So our attempts must definitely not fail now, and I do not believe that they will do so either.

[Brun] What is it that makes you so optimistic regarding the outcome of the peace talks?

[Kljuic] The fact that the United States has entered into the equation. For a long time Europe has spoken of democracy and respect for human rights as preconditions for ending the war. But it did not do anything to bring such a situation about. For a long time the United States has supported Izetbegovic in his desire to keep Bosnia a multiethnic state, but only now has it become actively involved in the peace talks. Only a major power like the United States can force the warring factions to find a solution.

Zagreb and Belgrade

Although Kljuic is a Bosnian Croat there is not much love lost between himself and the Bosnian Croats who — supported by Croatian President Tudjman — have set up their own state in Bosnia, which they called Herzeg-Bosna. Equally, he finds it hard to accept the Bosnian Serbs' self-proclaimed state Republika Srpska, which until last year was actively supported by Serbian President Milosevic. In each case the two self-proclaimed states have close links with Zagreb and Belgrade respectively. In particular, Tudjman's close links with the Bosnian Croats and their Army, called HVO [Croatian Defense Council], have incurred Kljuic's wrath, for Kljuic was one of the main proponents of the federation that the Bosnian Croats and Bosnian Muslims entered into in 1994. He believes that the HVO is currently undermining the federation and Bosnia's status as an internationally recognized state.

Ambitions Will Be Relinquished

Nonetheless, he is convinced that both Milosevic and Tudjman will give up their territorial demands in Bosnia.

[Kljuic] If the United States so demands, then the men in power (Tudjman and his cronies, ed.) will sever ties with their respective quislings (the Bosnian Croats and their cronies, ed.) The same applies to an even greater extent to Milosevic and the Bosnian Serbs. And without the support of Tudjman and Milosevic, the Bosnian Croats

and Serbs will be forced to turn to the government in Sarajevo.

[Brun] Regarding the above-mentioned repatriation of refugees, which is the only way of securing durable peace in Bosnia, do you honestly believe that this will come about after all the tremendous suffering that the people have undergone?

[Kljuic] It all depends on the meeting in Ohio. If all the parties recognize a Bosnian federation which gives everyone the same rights, then it could work out.

Federation Must Have Support

[Brun] But is this not practically impossible?

[Kljuic] Things will not work out if things are done step by step, but they could work out if the people in question are repatriated in one full swap. I can envision this happening by the spring, provided that a peaceful settlement is reached before the New Year.

[Brun] In Mostar the Croats and Muslims cannot work out how to live together, despite the fact that they belong to a federation between the two groups. Does this not suggest that the opposite is the case?

[Kljuic] The problem in Mostar is that it is the weaker party — the Muslims — that wants a federation, whereas the stronger party — the Croats — does not consider this to be important. In Herzegovina the situation is precisely the other way round. The aim there is to get people to want the federation, and I believe we will achieve this if the Ohio meeting ends successfully.

Bosnia 'Bridge' for Muslim Terrorism in Europe

LD0311131395 Belgrade TANJUG in English
1250 GMT 3 Nov 95

[By Sasa Dimitrijevic]

[FBIS Transcribed Text] Oslo, Nov. 3 (TANJUG) — Muslim fundamentalists, Mujahedin, have become a threat for the delivery of international humanitarian aid in Bosnia-Herzegovina.

British relief workers have abandoned some relief centres in towns and villages in Bosnia-Herzegovina because their lives have been threatened by 'Allah's Warriors', Norwegian relief worker Elza Varum has said.

Varum, who works at the office of a Norwegian humanitarian organization in the Muslim-held town of Zenica in central Bosnia, has herself been threatened.

She has testified that she has seen at a Bosnian Muslim check point a mujahedin carrying three cut-off human

heads, holding them by the hair. One was a man's, one a woman's and one a child's, Varum specified.

A local Muslim official contacted by Varum conceded that Muslims were having problems with the mujahedin who were helping them fight the war against the local Serbs.

The Norwegian daily DAGBLADET has described Bosnia-Herzegovina as a stronghold of Islamic terrorism. It has offered evidence to substantiate its view that Bosnia-Herzegovina is becoming an Islamic state and a bridge for getting Muslim terrorism to Europe.

The daily, which boasts the highest circulation in the country, has quoted a classified United Nations report about a growing threat of Muslim Fundamentalism. According to the report, all chances are that the mujahedin will get out of control.

The report says that Hizballah, a Lebanese Islamic fundamentalist organization, is the 'epicentre' of Muslim terrorism.

According to the document, 'Allah's Warriors' are becoming increasingly powerful in Bosnia-Herzegovina, which they see as a base for the export of terrorism to Europe and the former Soviet republics.

The report says that the goals of 'Allah's Warriors' are the founding of an independent Islamic state in Europe, the turning of Bosnian Muslims into Muslim fundamentalists, and continued attacks against Islamic states which are not fundamentalist.

DAGBLADET has drawn attention also to Iran's growing influence in Bosnia-Herzegovina.

It has published a photo taken by its reporter of an Iranian delegation on a visit to the Muslim-held town of Bihac in western Bosnia. The delegation was headed by Ayatollah Yanah, one of the most powerful and conservative religious leaders in Tehran.

The estimated 3,000 mujahedin in Bosnia-Herzegovina are experienced fighters. Many of them fought in Lebanon and Afghanistan and are personae non gratae in their countries because of the brutality for which they are known.

Spurred by terrorist organizations and funded by Arab money coming from oil exports, the mujahedin have found a new battlefield in Bosnia-Herzegovina as professional soldiers.

The task of mujahedin is to recruit Bosnian Muslims, to which end they have set up training camps and are paying the newcomers more than the state.

DAGBLADET said the mujahedin in Bosnia-Herzegovina had grown stronger since last year, when the classified U.N. report had been drawn up.

It said 'Allah's Warriors' were responsible for a recent abduction of two Norwegian U.N. troops in Bosnia-Herzegovina.

Krajina Serbs To Continue Talks With Government

LD0211163995 Belgrade TANJUG in English
1618 GMT 2 Nov 95

[FBIS Transcribed Text] Erdut, Nov 2 (TANJUG)—Serbs in the Srem-Baranja U.N.-protected sector "east" are ready to continue talks with the Croatian Government delegation, TANJUG learnt on Thursday from sources close to the negotiation team in Erdut.

Talks will be continued in accordance with the agreement between the President of the Yugoslav Republic of Serbia Slobodan Milosevic and of Croatia Franjo Tudjman, reached on Wednesday in Dayton, as soon as international mediators, U.N. secretary general envoy Thorvald Stoltenberg and the U.S. Ambassador in Zagreb Peter Galbraith, arrive in Erdut.

The Srem-Baranja region is the only part of the Republic of Serb Krajina (RSK) not under Croatian occupation. RSK used to be under U.N. protection.

RSK was declared by Serbs by the end of 1991 on their historical and ethnic lands, following Croatia's forcible secession from the former Yugoslavia.

The Croatian Army occupied sector "west" in the May aggression, and sectors "north" and "south" in the August aggression on RSK.

Several thousand Serb civilians were killed in those aggressions while over 250,000 Serbs were forced to flee.

Milosevic and Tudjman upheld in Dayton on Wednesday, at the beginning of the peace talks on Bosnia and Herzegovina, a peaceful solution for the problem of the Srem-Baranja region and asked Stoltenberg and Galbraith to return on Thursday to the area in order to continue even more intensive mediation.

The Serbian negotiating team firmly considers that the document on a peaceful settlement for the Srem-Baranja region, to establish for that region a transitional U.N.-administered period, should not make provisions for the final political settlement.

Prospects for Settlement in East Slavonia Analyzed

AU0311082395 Zagreb HRVATSKI OBZOR
in Serbo-Croatian 31 Oct 95 pp 16-17

[Commentary by Mario Galic: "Peace—Out of Sight"]

[FBIS Translated Text] The tactics of the Serb negotiators from the final remaining occupied part of Croatia is becoming increasingly clear and it consists of a combination of stalling and a pretended readiness to negotiate. The best evidence of that is that the Serb negotiators have not wanted to sign anything so far, but

they have accepted everything in principle. From time to time, they break off the negotiations and later on present Croatian proposals as theirs. They will probably continue to employ these tactics, because at the moment Milosevic estimates that time is working against Croatia. For that, he is putting his hopes on the parliamentary elections. Milosevic is hoping that a possible victory by the opposition would put in charge people who are less ready for more decisive military action in eastern Slavonia than President Tudjman. As these elections take place two days before the decisive negotiations in the United States, it is more than clear that their results will be known at the moment when the three state delegations meet at the U.S. Army base. If the HDZ loses its majority in parliament, then the negotiating position of the president will be quite different.

If the HDZ wins a majority in parliament again, Milosevic still hopes that the world powers will put strong pressure on Croatia to force it completely to accept the exclusively peaceful solution to the problem, regardless of how long it takes. For all that, Belgrade will emphasize the alleged cooperation of the Serbs over there, who are supposedly ready for a peaceful solution of the crisis.

"Question of Days..."

The reaction of the most important world powers, principally of the United States, to that problem will also decide whether Milosevic will join in the fighting when the Croatian Army begins the liberation of Baranja and eastern Slavonia. Milosevic will have to calculate the strength of the Croatian armed forces, which has been proven on several occasions. If the "Yugoslav army" remains passive, 20,000-30,000 rebel Serbs over there have no chance at all of resisting for any length of time. True, they are well armed and very well dug in, but the rebel Serbs in "Krajina" were in the same position, but they could not stop the Croatian advance. So how could the rebel Serbs in eastern Croatia be able to do that? They have hitherto undertaken some measures that should have strengthened their defenses. All able-bodied men have already been mobilized for a long time and have been deployed at the front lines. Such behavior is in line with the Serb propaganda over there, which has been claiming every day that it was a question of days before the Croatian Army would attack them. In that way, in fact, they have been doing a great favor to that very army, because the first signs of psychological exhaustion will soon appear among the Serbs in Baranja and eastern Slavonia as a consequence of being exposed to lasting tension and stress.

Either Kosovo or Arkan's People

Apart from general mobilization, all of the conscripts from former "Krajina" who made it from Croatia to Serbia have also been forcibly taken over there. Arkan [Zeljko Raznjatovic, criminal wanted by Interpol and head of paramilitary Serb Volunteer Guard] has taken it upon himself to re-educate them and has, therefore, opened a special training center near Erdut for the purpose, so that "Krajina men" can now choose between moving to Kosovo and "voluntarily" joining Arkan's men. Most of them have decided to take the first solution.

At the same time, Milosevic has sent a brigade of special reserves to encourage the rebel Serbs over there. The real value of the unit is highly questionable, because they are conscripts and acquired the status of special force members after doing their military service as scouts, military policemen, or suchlike. Their combat ability is only slightly better than ordinary "reservists," and a lot worse than professional soldiers. True, recently the military exercises of the "Yugoslav army" Novi Sad Corps have become more frequent and their purpose is to send a warning to Zagreb and to encourage the rebel Croatian Serbs. However, so far there have been no reports about significant moves of the unit of that corps across the Danube, which is a necessary precondition if they want to strengthen the defenses of that area. There have not been any significant moves of the Croatian Army, either, which might urge Milosevic into such a move.

After all, it is unclear whether Milosevic is at all able to help the rebel Serbs in Baranja and eastern Slavonia. Namely, the depth of the occupied territory over there is very small and does not exceed 10 km in some places. Besides, Serbia is connected with that area with only three bridges, of which only one connects Vojvodina and Baranja (at Batina). All this makes the organization of defenses, particularly in depth, much more difficult. Two bridges across the Danube (at Batina and at Erdut), strategically important for the organization of the defense of that area, are within the Croatian Army's long-distance artillery range and, during a possible offensive, will certainly find themselves under heavy artillery fire. The Serbs can lay pontoon-bridges across the Danube, but they can be subject to artillery fire, too. Therefore, the probability that the "Yugoslav army" will be able to bring reinforcements into the area, once the conflict has started, is highly questionable.

New Position of Croatian Army

However, the small depth of the battlefield and the vulnerability of the bridges is not the biggest problem for the Serbian commanders. The fact that the Croatian

Army solved the problem of "Krajina" exceptionally efficiently and thus came into a position to direct all its elite units toward just one area is of far more concern to them. The fact that the fighting in Bosnia-Herzegovina has stopped also helps us, as well as that now, in the operation to liberate eastern Slavonia and Baranja, we can use those elite units that have been breaking through the military defenses of the Bosnian Serbs. For all that, the Croatian Army at the moment, in the operation to liberate eastern Croatia, can employ a large military force, which is not as strong in number as it is efficient in combat. This force consists of seven guards brigades, all of which have already proved their combat efficiency: the forces of the 1st Guards Unit and the special forces of the Ministry of Internal Affairs [MUP]. The size of this force is best proved by Operation Storm. Namely, five Guard Brigades (the 1st, 2d, 3d, 4th, 7th and 9th) and special MUP forces were used in that, the largest operation of the Liberation War. It is even more important to mention that only the 4th and the 7th Brigades undertook joint actions against Knin, while all the other elite units were active in their individual directions and the large areas between them were filled by the Croatian Army reserve forces.

In the East Everything Is Different

In the operation to liberate eastern Slavonia and Baranja everything should be essentially different. Namely, the theaters of operations of all the guards brigades and elite MUP forces should meet there, or the distance between them should not exceed 10 kilometers. Thus accumulation of the combat strength of all those units should simply break any Serb resistance in at most 24 hours of fighting. If the Serb resistance lasted so long or less than that, Milosevic simply would not have enough time to intervene actively. This will certainly not be easy to carry out, but it is also not unfeasible. Moreover, the concentration of the best Croatian forces at the moment in such a small area will create the most powerful military formation gathered since the beginning of the Liberation War. It could not only liberate the temporarily occupied territories of eastern Croatia, but also destroy the "Novi Sad Corps" of the Serbian army.

And it is precisely that today the Croatian Army is a respectable military power, which can also defeat the "Yugoslav army," will largely affect the Belgrade's decision not to dare any more to participate in the war against Croatia. Because nobody can guarantee Milosevic that his army will under present circumstances be able to defend Baranja and eastern Slavonia. One thing that can be assured to him are many dead and wounded Serbs. For the population over there, who have for four years

been living under heavy sanctions imposed by the international community, that would probably be the straw that broke the camel's back.

Therefore, Milosevic will stall the negotiations until the very last moment to save his political reputation and, once the operation of liberation begins, he will silently watch it from Dedinje [Milosevic's residence], as he did Operations Flash, Storm, Mistral, and all the other military defeats of the Serbs across the Drina, because it is much easier to find an excuse for not taking part, than for why he took part in a new war in which hundreds of Serbs from Serbia would be killed, and in a war that he would ultimately lose.

Belgrade Daily Comments on Population Statistics

AU0311083895 Belgrade POLITIKA
in Serbo-Croatian 30 Oct 95 p 7

[Commentary by Goran Volf: "Calculations Do Not Confirm the Claims from Zagreb"]

[FBIS Translated Text] A population census in Croatia is hastily being prepared for 1996 and the main reason is clear: to confirm the exodus of Serbs in statistical terms as well. Later, that will serve to deprive them of many national rights, because the number of Serbs in the entire population of Croatia has drastically diminished after all the war destruction and particularly after Operation Storm.

At the same time, Croatian politicians often use data from the last census of 1991. The motives for that are also clear. As even some Croatian analysts admit, that census was carried out on the fringes of regularity, on the eve of war. The result was that, as recorded by the Croatian statistics, in 1991 there were 582,000 Serbs in Croatia, which means that around 140,000 people of Serb nationality had statistically simply disappeared. This is because, according to previous censuses, Serbs had always been around 15 percent in Croatia (if the number of Yugoslavs [those who declared their nationality as Yugoslav rather than one of the ethnic groups] is equally distributed among Serbs and Croats), so, following from this, there should have been 720,000 Serbs in Croatia before the outbreak of war.

Merciless Statistics

All these games with numbers, as though they did not deal with people, are used by certain politicians as an argument in determining national rights. Thus, Vladimir Zerajic, a Croatian demographer, claims that the Serbs left Krajina voluntarily and "if there had been any duress, then it came from the Serb leaders."

Yet, as we were told by Dragisa Bjeloglav, assistant director of the Federal Statistics Bureau, the merciless

black statistics based on the evidence of the Red Cross and other humanitarian organizations indicate that in the period from May 1991 to the end of 1994, 215,000 people, mostly of Serb nationality, came to the FRY under the pressure and the repressions of the Croatian authorities. This year, according to the data of the EU's Poll Commission, which correspond to the data of the Red Cross, another 200,000 Serbs fled after Operations Flash and Storm, so all together 415,000 have been expelled to the FRY alone.

At the same time, in NEDJELJNA DALMACIJA, Vladimir Zerajic claims, without stating his sources, that "only" 300,000 Serbs have left Croatia, and that "voluntarily;" 110,000 left during the latest operations of the Croatian Army.

If one adds the number of those who found refuge in Yugoslavia, on which there is precise evidence (415,000), then the number of those who remained in Baranja and Srem [Srijem] (between 120,000 and 135,000), those who fled to other republics or abroad (50,000 to 60,000), and those who are estimated to be living in Croatia (120,000 to 150,000), the result is once more that before this war there were over 700,000 Serbs in Croatia, and not 580,000, as was recorded in the census carried out at a time of nationalistic euphoria in Croatia.

It is a fact that, according to the 1971 census, Donji Lapac was 97 percent Serb, in Vojnic 95 percent, Plaski 92.3 percent, Dvor na Uni 88 percent, Korenica 88 percent, Knin 77 percent, Gracac 76.3 percent, etc. Even if their number had fallen by 1991, these figures tell a lot. These are all places from which Serbs have been expelled.

What Do the Analyses Say?

When we analyze the census data, if those who declared themselves as Yugoslavs are equally distributed among Serbs and Croats, the number of the population of the Republic of Serb Krajina [formerly Serb-held areas in Croatia] in relation to the entire population of Croatia does not show a significant variation and amounts to 14.1 percent in 1971 or 12.7 percent in 1981. The proportion of Krajina Serbs in the entire population of Croatia, as Mr. Bjeloglav claims, is a somewhat more stable number—7.9 percent in 1971 or 7.2 percent in 1981. Accordingly, the Republic of Serb Krajina should have 670,000 inhabitants, of which 380,000 are Serbs. And yet according to the 1991 census, Krajina had 676,000 inhabitants, of which 341,000 were Serbs.

"After all this, it can be assessed that in Croatia there are now between 110,000 and 120,000 Serbs, which is

2.5 percent of the entire population," Dragisa Bjeloglav says.

The fact that the result of the 1991 census is not a reflection of reality can be supported by another calculation. Assuming that, according to the data of international humanitarian organizations 415,000 people have fled Croatia for the FRY and another 50,000 to 60,000 went abroad or to other former republics of the Socialist Federative Republic of Yugoslavia, and that 120,000 to 135,000 still live in Baranja and western Srem, then in Croatia there is not one Serb left. Because, when these numbers are added together, there is always more than 580,000 Serbs, as was claimed in the 1991 census. So, Croatia would now be completely cleansed of Serbs if the data of the Croatian demographers were correct.

Social Democrat Leader Tomac on Elections, Talks

BR0211152695 Rome L'UNITA in Italian 2 Nov 95
p 15

[Interview with Croatian Social Democratic Party leader Zdravko Tomac by Fabio Luppino in Rome; date not given: "Now the War Is Over, Tudjman Will Deflate"]

[FBIS Translated Excerpt] [Passage omitted] "The Croats have rejected the more extreme promptings," said Tomac. "They have shown great maturity, but Europe now has to give us a hand in strengthening democracy in this country by allowing Croatia into the EU."

[Luppino] Franjo Tudjman did not obtain the landslide victory that he forecast for himself in the Croatian general election, despite having almost total control over the media. How do you explain this outcome?

[Tomac] President Tudjman and his party, the HDZ [Croatian Democratic Union], have gained a majority in the Sabor, but they did not achieve the target that they had called the election in such a hurry to win, which was a two-thirds majority. This being so, there is no way the Croatian Democratic Union can change the constitution without making a deal with the opposition, nor can it ever adopt the decision to create a confederation, which is what Tudjman wants, between Croatia and the Croat-Muslim federation of Bosnia-Herzegovina. In addition to the national result, the crushing defeat suffered by the HDZ in the municipal election in Zagreb, which represents 50 percent of Croatia's political and economic potential and a third of its electorate, must not be underrated. The united opposition parties' victory in Zagreb has been more than resounding, achieving two-thirds of city council seats. This shows that the Croatians are not yet ready to change their state government, as they think it might

destabilize Croatia and weaken the country's position in the summit currently under way in the United States, or even destabilize Croatia to the extent of preventing the liberation of Baranja and Eastern Slavonia. At the same time, however, they have expressed their dissatisfaction with the HDZ's domestic policy in a radical swing to the opposition in the Zagreb municipal election, and the same thing will probably happen in the other cities where municipal elections are due to be held in a year's time.

[Luppino] Your Social Democratic Party has verged on 9 percent and is the top party in Zagreb. Overall, the opposition parties touch on 35 percent of the vote. What is afoot in Croatian society to the extent of shutting the door on nationalism?

[Tomac] These elections have shown the level of maturity achieved by the Croats, who have totally rejected the platforms presented by the extreme Right, and indeed, by the Right as a whole. A large number of voters opted for the Left, and in particular the moderate Left, whereas the extreme Left has been defeated in the same way as the radical, nationalist Right. My party has been highly successful, especially in the major cities, where we have gained almost 20 percent of the vote. All this is a good thing for stability in Croatia. Another boost for the moderate Left is to be expected, especially after the end of the war, when social issues and the problems of day-to-day living will relegate the national issue tied up with defense and the creation of the state to second place.

[Luppino] Might this result help pacify the whole Balkan area?

[Tomac] I do not think that the elections will have any significant influence on the war or on peace.

[Luppino] The Croats seem tired of war, but everything points to Tudjman being ready to launch a military offensive to bring Eastern Slavonia back into Croatia. Do you think it would be right?

[Tomac] First of all, we now undoubtedly have to solve the issue of Croatia's integrity by peaceful means. However, if it cannot be done peacefully, if there is no other choice, the army will have to be used. The major Croatian political parties are in full agreement on this score. It is wrong to talk about Croatia attacking Eastern Slavonia: On the contrary, Croatia has the right to liberate a part of its territory that has long been under occupation.

[Luppino] What do you expect from the American summit?

[Tomac] A compromise that will not be ethical, in which Clinton and Yeltsin will protect their interests, by no means justice, equity, and peace in Bosnia.

[Luppino] You have won a landslide victory in Zagreb and were one of the candidates who obtained the most votes. Many people point to you as the capital's next mayor. Will you be standing for the post?

[Tomac] My party is the opposition party that won the most votes, but we won together, with seven other parties, so we will decide together who will be mayor of Zagreb. The opposition must remain united, so no questions of power distribution must arise, despite the fact that I headed the list of candidates for the Social Democratic Party, which obtained more votes than the other parties in Zagreb. I will certainly not be insisting that I or anyone else in my party must be mayor of the capital.

[Luppino] Do you think that Croatia is more democratic since the elections?

[Tomac] It is definitely more democratic.

[Luppino] What must Europe do to foster the democratic process in your country?

[Tomac] Europe must admit Croatia to the European Union in as short a time as possible. Integration into Europe will help the democratic forces in Croatia. The continual delays will play into the hands of the anti-Europeans and antidemocrats.

Istrian Daily Views HDZ's Showing in Election

*AU0211163595 Rijeka NOVI LIST in Serbo-Croatian
31 Oct 95 p 2*

[Commentary by Drazen Vukov Colic: "Bitter Taste in Insatiable Mouth"]

[FBIS Translated Text] In many countries of the world, such an election result for the ruling party would be seen as a hardly achievable ideal, but it nevertheless seems that this, the fourth successive victory of the HDZ [Croatian Democratic Community], is marked with some unexpected smears and a rather bitter taste in the insatiable mouth. It seemed from the first reports, which were slow in arriving and here and there contained quite significant and curious changes (in Dubrovnik, Varazdin, etc.), that the HDZ had grasped even more firmly what it had already had in the Chamber of Representatives of the Croatian Assembly, but it still does not have its hands as free as it had wanted and demanded so resolutely in the quite nauseating campaign. The comfortable majority vote was nevertheless thoroughly supported by the large though disputed vote from Herzegovina, while the ruling party has at least

to some degree unexpectedly lost Zagreb City Council and in the St. Mark's Square, completely failed in Istria, failed in Rijeka and Cakovec, and at best only taken half of Split, so that HDZ is increasingly becoming a sociological enigma in which one can find increasingly few urban and intellectual people.

It is undoubted that the ruling party called the elections according to its own agenda at a time that it considered the most appropriate to its own needs and criteria; nevertheless it seems that it has already peaked and is beyond the point at which it can talk so self-confidently and without reproach for decades to come and simultaneously sing about millions of years of invincibility. A shamefully small number of people, even in the diaspora, where some of the figures provoked contemptuous smiles, voted for some kind of mandate beyond recall, while it still remains doubtful whether the ruling party succeeded in convincing the electorate that in the incomplete past four years it had done everything that it could, even though it could have done almost anything that it had wanted, since it won only just over 2 percent more than in the last elections in Croatia for everything it has done, including Operations Flash and Storm.

How would it have been if the generally popular president of the republic had not invested almost unbelievable efforts in his almost incredible omnipresence, if the HDZ had not been so fused with the state, if almost all of its candidates, because of their many public duties, were not many times better known than the majority of their opposition opponents, and if the majority of the media, particularly the electronic media, which control more than 90 percent of the information market in this country, had not seen and treated their crucial contribution to an HDZ victory as though it were a question of their own survival? Even some "scientific" opinion polls have been reduced to mere lists of the desires of the ruling party, while it seems that HDZ achieved the least where it took the most pains (Istria and Rijeka, the crusade against the coalition headed by the HSS [Croatian Peasants Party] and supported by IDS [Istrian Democratic Congress], the abuse of great military victories, the overt economic blackmail, and the almost police-like accusations directed at the majority of the opposition), but those who went to the polls nevertheless started to think of themselves more as citizens and not the mere weapon of the state or a slave nation used for the insatiable practice of capitalism.

Paradoxical though it may sound, these elections proved that Croatia is far from being what the HDZ would want it to be and also far from what the uninformed world trumpets, criticizing the ruling party. This country is not hopelessly nationalistic and it seems that the number has been growing of those for whom personal

freedom, family welfare, and a belief in honesty and personal dignity are becoming increasingly important. Therefore, both Operation Flash and Operation Storm (although without doubt supported by a clear majority of citizens) did not play the role that was expected by many, since at least half of the electorate did not accept the ugly and criminal propaganda that only the HDZ defends Croatia, while everybody else would already have delivered Croatia back to some kind of new Yugoslavia. It turns out that without Flash and Storm the party in power would certainly have lost the elections, while nevertheless the two operations did not help sufficiently to provide the HDZ with a two-thirds majority.

This nevertheless proves that the new election law was conceived in a much more democratic way, while the opposition was certainly nothing like as incapable and dilettantish as the ruling circles dreamt. So the electoral

coalition headed by the HSS in its first appearance achieved exactly what it had promised, the HDZ found serious competition in the political center, while the divided left registered significant progress, where it was the SDP [Social Democratic Party] that proved that social democracy can also be simultaneously both state-forming and advocate social justice, political ethics, and economic welfare. Thus, if the HSP [Croatian Party of Right] really has fallen out of the game, the HDZ remains alone on the right, while the HSLP [Croatian Social Liberal Party] suffered effective defeat, not only as the result of the best HDZ election sabotage of all, but also as the result of its own indecisiveness, moroseness, and intellectualism. The ruling party has nevertheless lost something in its undoubted victory, the opposition has won something in its technical defeat, and both could prove useful to Croatia in the long term.

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Bulgarian Firm Connected With Gligorov Bombing

AU0211172395 Skopje NOVA MAKEDONIJA
in Macedonian 2 Nov 95 pp 1-2

[Report by Branko Trickovski: "The Bulgarian International Octopus"]

[FBIS Translated Text] Sofia, 1 November. The largest and most influential Bulgarian financial group, the "Multigroup," is the first foreign company, after the statement of Interior Minister Ljubomir Frckovski, saying that "an international economic and financial group located in a neighboring country" was one of the organizers of the assassination attempt against President Gligorov, to be mentioned by the Greek daily THESSALONIKI and the Bulgarian 24 CHASA. According to the Greek daily, "Multigroup" is an "economic group in Bulgaria that has connections with the Mafia and has made a fortune out of illegal trade with Serbia and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] by violating the embargo against the FRY [Federal Republic of Yugoslavia]." The article in the Salonika daily, which was also carried by Bulgaria's 24 CHASA, says that "Multigroup" is directly linked with former KGB and Russian interests in Bulgaria. Immediately after the publication of this information, the head of "Multigroup" described it as provocative and announced measures to maintain the good name and reputation of the group.

What Kind of Company Is "Multigroup"?

Approaching Sofia, just below Mt. Vitosa, there is a beautiful new building of this, the largest and most influential economic and financial group in Bulgaria—the "Multigroup." The name of this company has been in the focus of the media, particularly after the analyses of the statements of Interior Minister Ljubomir Frckovski at a news conference when he said that an international economic and financial group in a neighboring country was behind the assassination attempt against Macedonian President Kiro Gligorov. More precisely, he then stated that a man from this group had stayed in Skopje and had prepared the explosive device, after which he left Macedonia. As we know, Minister Frckovski did not mention the name of the company or group; however, following some newspaper articles in some Balkan countries, Bojko Draganov, the head of "Multigroup," stated that the company would be suing those who had spread "false" information associating the name of "Multigroup" with the assassination attempt against Gligorov. They are particularly displeased in Sofia with the Greek daily THESSALONIKI, but it has also been noted that the Skopje weekly PULS has produced a similar analysis.

The corporation is constantly in the focus of the Bulgarian newspapers and it is frequently mentioned by the foreign mass media. This happens on various and totally different occasions. It has been mentioned in connection with the murder of a Bulgarian businessman that has remained unsolved, as well as international business at the highest level, such as "Multigroup's" involvement in the Russian-Bulgarian "Top Energy," which will be dealing with Russian natural gas for the Balkans and Europe.

There are many questions connected with the company that are unclear and without evidence in Bulgaria itself. Nevertheless, according to Bulgarian sources, it can be said that the company was the brainchild of top Bulgarian politicians with the assistance of the Bulgarian secret service at the end of the past decade. It is a company of former intelligence officers, and sons, sons-in-law, and others close to the Bulgarian political leadership in the period before Zhivkov's departure. The company's origin and further development were created with the aim of transforming the political power of Bulgarian communism into economic power that would be subsequently transformed back into political power, following the changes in the social, political, and economic conditions.

We have been able to find out that another corporation, called "Multiart," was registered in 1988, in which Ilija Pavlov, the acting manager of "Multigroup," is one of those in charge. Pavlov is a former Bulgarian wrestling champion but it may have been of the utmost importance for his own prosperity and that of the first corporation that he was married to Toni Cergelanova, daughter of General Cergelanov, head of the Bulgarian counterintelligence service.

This is how his contacts and liaisons with Bulgaria's secret service and with top state and political circles began. Also involved is Dimitar Ivanov, a clerk in the first subdepartment of the Sixth Department of State Security. Until 2 October 1995, he was the vice president of "Multigroup." The day before the assassination attempt he was released from his post as vice president, but he remained in the company as the head of regional development. Ivanov's name is being mentioned in some Bulgarian and Greek analyses of Frckovski's statement, where it is being suggested that he was the one who visited Macedonia on 28 September 1995 and assembled the explosive device for the assassination attempt. It is unclear whether his dismissal on 2 October, on the grounds that his past as an intelligence officer was not to the advantage of the company, was connected with the assassination attempt.

The "Multiart" company is standing at the entrance and the exit of the metallurgical giant "Kremikovci" and is making a huge fortune. Furthermore, Pavlov has been to Malta to register another company by the name of "IPN Trading." There he is developing a business with old submarines and, until the end of 1993, he headed a number of casinos in Bulgaria.

On 25 June 1990, the "Multi-International Holding" company was registered in Vaduz, Liechtenstein. As Maltese law allows the name of the owner to be omitted and it is sufficient only to register the name of the company lawyer, it is thus today impossible to say who the real head of "Multigroup" is. Furthermore, "Multi-International Holding" was also registered in Bulgaria, in Dragomir. This company is the basic owner of the parts of the first sister companies "MI Engineering," "Intcom," "Multiagro," and so on in Bulgaria. Following this, a credit bank was formed with the state banks' money.

As far as the creation and development of the company is concerned, the most frequently associated names are of leading party and state leaders from Zhivkov's times, such as Ognjan Dojnov and Andrej Lukanov. The former has since migrated to England and Austria, while Lukanov became the first president of post-Zhivkov's Bulgaria. Some reports suggest say that the interests of Lukanov and Dojnov are opposed and that they are waging a kind of a war, but it will not be surprising if they have been linked by some economic interests in some way. In this connection the name of the world media magnate Robert Maxwell has been mentioned and his interest in investing in Bulgaria.

Some reports claim that "Multigroup" has 3,500 employees in Bulgaria. President Pavlov, in an interview about a year ago, said that 300 to 400 people work for the company in the Republic of Macedonia. The company has organizations throughout Europe and the United States. The latest demonstration of the international ambitions of "Multigroup" is its interest in the Russo-Bulgarian "Top Energy" association. In this context, Pavlov's company has Russian support through the relationship between Lukanov and Russian Prime Minister Chernomyrdin and Rem Vjahirev, the head of the Russian "Gas Prom" company. There have been many conflicts within the Bulgarian Government over this, because Prime Minister Videnov takes a different view. "Multigroup" in Bulgaria is engaged in all kinds of economic, trading, banking, insurance, and other business, including tourism.

Commentary Examines Minister's Resignation

AU0311122095 Skopje NOVA MAKEDONIJA
in Macedonian 28 Oct p 13

[Commentary by Erol Rizaov: "Improvised Address"]

[FBIS Translated Text] The long-awaited news conference of Ljubomir Frckovski, minister of the interior, on the assassination attempt against President Kiro Gligorov, which was announced as the first official statement from the minister broadcast directly on radio and television, ended without the expected results and detailed information related to the assassination attempt. Minister Frckovski, aside from some initial knowledge concerning the investigation and his resignation, offered nothing more. Not because he did not want to reveal anything in the interest of the investigation, but simply because he did not have anything more to say.

It was just another address with political rhetoric instead of concrete facts and evidence. It was far beyond the expectations of the public which, because of the exclusive announcement and its concern with the terrorist act, had hoped to hear more concrete information and results of the investigation. Actually, if political and security elaborations are skipped and bare facts elaborated, it has to do with the minister's public admission that our police were working hard but had achieved little.

The assassination attempt against the president of the state Kiro Gligorov, according to all indications and analyses in the country and abroad, according to all relevant evaluations, represents the principal criminal and terrorist act that has taken place in Macedonia's recent history. If this attack was aimed at creating political destabilization in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and in the Balkans as a whole, and if its intention was to cause long-range historical consequences, the investigation did not attach sufficient importance to this act, and the police treated it, in general, too much as a routine matter. So, the news conference did not handle properly the assassination attempt against the president of the state. Taking into account all these circumstances, the terrorist act cannot be treated only as a criminal activity and it is inappropriate to give impromptu explanations about the results of the investigation. This news conference had to be organized in such a way as to answer the questions about the essential intentions of the executors and instigators of the assassination attempt.

Frckovski's main argument was when he gave the information that a multinational economic group, located in one of the neighboring countries, had organized the assassination attempt and that one representative of this

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group had been in Macedonia on 28 September, in the vicinity of Skopje, where he assembled the explosive device and then left the country. He also said that Macedonia's citizens performed the attack a few days later and that, although there are many suspects, as yet nobody has been arrested yet.

To state that the assassination attempt was organized by a neighboring country and to avoid indicating which country it was and who the assassins were, could give cause for speculations with serious political consequences for Macedonia's relations with all the neighbors. In the near future we can expect strong reactions and all kinds of speculation from all the neighbors. How politically appropriate is it for a minister, even if he has offered his resignation, to give statements of this kind and to avoid giving concrete details? Time will tell.

Another part related to the minister's questions deserves particular attention. It is a fact that nothing is now the way it used to be before 3 October and that we cannot act out the creating of a state. In Frckovski's opinion, we will either form a state or make slipups. This seeming game of words hides the real truth. If we are really forming a democratic and secure state ruled by laws, his ministry, like all the other fields, would not have allowed serious slipups that are so obvious and with such profound negative consequences for the whole political and economic life in the state. If it were so, the killers of the whole Mudinov family from Strumica would have been caught. Probably the killers in another dozen unsolved cases that occurred in Macedonia in the past few years would also have been caught. Moreover, the gray economy would not have flourished, neither would money laundering nor organized crime, which penetrates our state with such ease, and the responsible ministry would not have delayed activities to discover and stop it. We must raise the question of the affairs around the "Hard Rock" and "Silex" discotheques, which have remained unsolved, unless the real intention was to hush them up.

It is true that the assassination attempt against the president of the state Kiro Gligorov was also aimed at creating chaos and fear among the citizens with the ultimate goal of destabilizing the state and disorganizing the Ministry of the Interior. As far as this aspect is concerned, it is true that this ministry has to maintain the integrity and sangfroid of its police and continue its professional work. However, this intention of the assassins cannot justify covering up numerous slipups and making wrong assessments about the state's security. Illustrative examples include their wrongly assessing the necessary state action when the flag is changed, when an accord with Greece is signed, and when the president travels to Serbia to meet Milosevic. It is clear that the security

level throughout the country, including the protection of the president, needed to be raised.

As far as concerns Minister Frckovski's offered resignation, and he himself said that it was a moral act of responsibility that applied to every politician, it represents evidence of the minister's awareness and responsibility. Even when all the arguments related to his personal responsibility have been taken into account, his resignation can be rejected in the interest of the investigation and political stability. However, as it is also true to say that nothing is the same in Macedonia as it was before 3 October, he cannot continue to be the same minister with the same credibility and authority as before the assassination attempt.

Moreover, the responsibility and resignation of Minister Frckovski cannot be separated from the responsibility for the total situation in the state as a whole. No matter how much his resignation is a personal act, the other players in the construction and implementation of laws cannot be exempted.

At this moment it seems that it is essential for all the responsible bodies in the state to undertake all authorities and responsibilities for the functioning of a democratic state ruled by laws in a concrete and not just declarative way. It is indispensable to stop and eliminate all pressures and economic and political crime in the system's institutions. As befits the confidence entrusted by their vote, the citizens expect their leaders to be reliable in the achievement of independence, and international legitimacy, as well as in the provision of internal stability in Macedonia.

Delegation Meets With Albanians, VMRO-DPMNE AU0311083395 Skopje MIC in English 2 Nov 95

[FBIS Transcribed Text] As part of its visit to Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], the parliamentary delegation of the European Parliament stayed in Tetovo yesterday. In the local assembly where the talks were led, the problems with the independence and difficulties which the citizens of this multi-national municipality face were dominant.

The representatives of the Albanians expressed their views about the deprivation of their rights, while the Macedonians brought up different examples of moving out because of fear and intolerance. The problem with the Tetovo University was elaborated separately with viewpoints from every aspect. The parliamentarians explained that not even richer countries with so few citizens can afford to have three universities on their territory.

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Otherwise, this meeting started with the "undesired" presence of the press, as an orientation of the Republic protocol. The head of the delegation of the European Parliament Ms. Pack resolved this problem by stating that the presence of the press will not bother her.

The VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] delegation, led by the vice-president Dosta Dimovska met with the representatives of the European Parliament. According to this party's announcement, the European parliamentarians were briefed on the "facts about the election forgery on a state level, due to which VMRO-DPMNE boycotted the elections."

This party pointed out its remarks about the Interim Accord between Macedonia and Greece, especially in regard to the changing of the national symbols, the decision to freeze the temporary name for a longer period and the failure to regulate the rights of the Macedonian citizens of Greece.

European Attitude Toward State's Name Rebuked

AU0311083495 Skopje NOVA MAKEDONIJA
in Macedonian 2 Nov 95 p 2

[Commentary by D. Culev: "Abused Hospitality"]

[FBIS Translated Text] About three years ago, a top official of a leading European institution had great trouble avoiding a reply to a simple question from a journalist at a news conference: "Can you tell us which country you are in?" Preferring not to utter the name of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], the diplomat remained silent.

These days, Mrs. Doris Pack, the head of the European Parliament delegation, who has had meetings with top officials in the Republic of Macedonia over 48 hours, as well as with nongovernmental organizations and representatives of a municipality in the republic, succeeded in ignoring the name of the country in which she was staying, with which she said she was delighted, was visiting for the second time, and will have to submit a report to the European Parliament.

"Your country," "this country," "the neighbor of this country," "the authorities here," and "here" were used instead of the Republic of Macedonia by Mrs. Pack, not only during the meetings but also during her brief encounters with journalists. It is symptomatic that the lady in question and her five colleagues from the European Commission never used the constitutional name of the state in which they were staying.

Before making any comments about this unspeakable example, it is first of all necessary to mention that the flexibility of the hosts (which has been proven so many

times before) deserves respect, because, owing to the traditional hospitality in this region, they took care not to insult the guests or remark on the way in which they described their country. This is understandable, although, generally speaking, the situation itself deserves a place in the "Believe It or Not" column. Protocol and diplomatic good manners do not allow this and they paid attention to even tinier details at meetings on an interstate level.

However, it is surprising that the basic bad manners of these visitors of European origin who, acting from the position of "ex-rostrum" or, perhaps convinced that they were in the position of representatives of a European power, allowed themselves to make such gaffes. These freak situations (even avoiding mentioning the initial "M" in the name of the country in which they are staying) indicate the totally false predispositions and even the politicized ignorance of those who are making such addresses.

It is unacceptable and unspeakable for European gentlemen in the current dispute about the name to be guided by the position that has been imposed by Greece in their thinking and naming of the Republic of Macedonia. So as to refrain from insulting their southern member in any way, they are making the same mistakes that Greece, headed by this or that political team, makes. In doing so, they forget that this state has a name, a constitutional and recognized name, and yet they stick to the shortened "FYROM," which is nothing but a form of addressing the Republic of Macedonia within the framework of the UN. Outside this organization or in mutual contacts between states, this shortened form may be used to such an extent as it is required by the bureaucratic individuals who stick to the form rather than the contents.

However, when one comes to Macedonia with a concrete intention, with a concrete aim, when contacts are made with concrete personalities from the concrete authority of a concrete state, it is unspeakable to avoid mentioning the characteristics of a state that has so many times proven to be just as European as the others on the old continent. Actually, the representatives of the association in question and similar associations with a European prefix, during the four-year dispute between the Republic of Macedonia and Greece, have so many times claimed that it is a dispute between the two countries, that these two countries must solve their misunderstandings, which leads to the conclusion that nobody from the outside could or wished to assist in what is called an interneighbor problem. So, totally unclear why these European delegates are taking sides by avoiding uttering the name of the state, it is now clear: They fear Greece might reproach them.

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**Greek Border Problem Continues Over Green
Cards**

AU0311083295 Skopje MIC in English 2 Nov 95

[FBIS Transcribed Text] Although a definite answer to the question whether the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] "green security cards" will immediately start being issued upon entering Greece, or whether that will be done at some other time was expected to be received yesterday, the Greek National Bureau for "Green Cards" remained silent.

Namely, as we were informed by Boris Chaushevski, acting Director of the Macedonian National Bureau for Green Cards, the Macedonian side discussed this matter with the Greek partner on the telephone again. However, the only answer received was that they had still not received a final stand on this issue from the Secretary

General of the Committee of National Bureaus (based in London), i.e., that they still did not know whether they had the right to start recognizing the Macedonian "green cards" or whether they had to wait for this document to be recognized by the other member states of the EU, "by signing unified agreements." At the same time, the information was given that contacts are being made with Italy, Belgium and Portugal (whose signatures are being anticipated) in order to see whether they have signed the necessary document, and if not, when they were going to do so. Therefore, the final answer is expected to be received to day.

The Macedonian side has announced that if an official answer is not received today, and the Greeks continue charging border insurance for the Macedonian vehicles, Macedonia will introduce reciprocal measures, which will not be in the spirit of the signed protocol.

Last Preelection Poll: Kwasniewski, Walesa in Lead
WS0311124295 Warsaw GAZETA WYBORCZA
in Polish 3 Nov 95 p 1

[Report by "KNYSZ": "CBOS Last Poll: Kwasniewski 34, Walesa 31"]

[FBIS Translated Text] If turnout at the ballot boxes on Sunday were 65 percent, Aleksander Kwasniewski would net 34 percent of the votes and Lech Walesa 31 percent. The Public Opinion Research Center [CBOS] assumes that on 5 November voter turnout will not be 82 percent—that is to say that not all of those declaring their readiness to vote will actually vote. Those respondents who declare their willingness to vote but claim that the elections do not make sense, do not see the use of having a president, or are simply not interested in politics are rather unlikely to vote. That is why CBOS estimates that turnout will in fact be 65 percent.

A lower turnout would be favorable for Kwasniewski: If it were higher—82 percent—he would get 2 percent less votes (32 instead of 34 percent.)

Lower turnout would do Walesa even more good—his support would grow from 26 percent (assuming turnout was 82 percent) to 31 percent. Among the 65 percent group, there would be a greater number of voters who have no doubt they would vote for the incumbent president.

Today is the last day of the election campaign before the first round. The election law says that no campaigning is to be carried out on election day, and all campaign activities are to cease 36 hours before that day.

The Top Six

	Percent
Aleksander Kwasniewski	34
Lech Walesa	31
Jacek Kuron	11
Tadeusz Zielinski	6
Jan Olszewski	4
Hanna Gronkiewicz-Waltz	4

The poll was carried out by CBOS between 26 and 29 October on a random, representative group of 1,281 Poles.

Oleksy, Kwasniewski Refuse Financial Disclosure
WS0211152495 Warsaw ZYCIE WARSZAWY
in Polish 2 Nov 95 p 1

[Article by Piotr Wysocki, "LUZ": "Shares From the Red Series"]

[FBIS Translated Text] Jolanta Kwasniewska and Maria Oleksy as well as other people ZYCIE WARSZAWY mentioned in articles on the "red web" purchased shares from the very same series that caused Polisa's license for public sales of shares to be withdrawn. Oleksy and Kwasniewski are refusing to reveal their financial disclosure statements.

In August 1994, the Polisa Insurance and Mutual Insurance Association SA was deprived of the right to sell shares to the public. The license was withdrawn by the Stock Exchange Commission [KPW] after the company violated the "Law on Public Sales of Shares" for a fourth time.

In an explication to the decision, the commission quoted the following provision: "A company that was authorized to and carried out public sales of its shares of at least one series is obliged to sell each subsequent series to the general public."

Once Polisa had completed the public sales of shares of the B and C series, it issued four nonpublic series in the order G, M, E, and F. The latter two, as the heads of Polisa told "Wiadomosci" [main television newscast], were purchased by "friends and acquaintances."

Among them were Jolanta Kwasniewska and Maria Oleksy.

On Monday, Aleksander Kwasniewski said that his wife had purchased the shares on the free market. Mrs. Kwasniewska, however, wrote in a letter to ZYCIE WARSZAWY: "In the period from April 1994 to May 1995, I purchased on the free market (...)." This statement would have held true only for the K series because the KPW claims that the sales of the E and F series carried out in 1994 had nothing to do with the free market.

"The fact that Polisa violated the law by conducting non-public sales of the E, F, G, and M series and distributed the shares 'among friends' made it impossible for small investors to purchase them," a high-ranking official from the Finance Ministry told ZYCIE WARSZAWY. "This has nothing to do with the support of the free market declared by the left. It turns out that the market is free only for 'friends.'"

Spokeswoman Aleksandra Jakubowska has meanwhile stated that Prime Minister Jozef Oleksy (who did not

carry out a partition of property with his wife) refuses to reveal the contents of his financial disclosure statement.

The prime minister might agree to reveal that document after the elections. For the time being, however, he is staunchly refusing in the fear that the disclosure might be used in the election campaign.

His disclosure (just like that of Kwasniewski, who also says he will not reveal it) rests in a sealed envelope in the Sejm speaker's safe. The decision is most probably to be made by the speaker. Jozef Zych is returning to Warsaw today.

Daily Comments on Refusal

WS0211155995 Warsaw ZYCIE WARSZAWY
in Polish 2 Nov 95 p 1

[Commentary by Robert Krasowski: "We Still Do Not Know"]

[FBIS Translated Text] Two days have passed since we published the report entitled "Red Web," two days during which neither Jozef Oleksy nor Aleksander Kwasniewski did anything to explain the controversial business activities of their wives. The prime minister's statement that he refuses to reveal his financial disclosure can hardly be considered an explanation.

We therefore still do not know whether the prime minister's wife can do business with her husband's subordinates and enter partnerships with people and companies involved in economic crimes. We do not know whether these ties are not being used against public interests. We do not know how much business acumen Mrs. Oleksy must have to purchase shares several times below the issuing price—and in installments, at that.

We also do not know whether Kwasniewski accounted for his wife's investments in his financial disclosure and in the course of partition of his and his wife's property. We do not even know if the partition really did take place. Presenting the proper documents would suffice.

For the time being, these are merely doubts. Keeping the citizens in the dark may only raise suspicions that something really is wrong here, that the leaders of the Democratic Left Alliance [SLD] simply fear public opinion rather than dislike it. And they are stalling for time.

This type of tactic is not unusual for the SLD. It employed it when defending other colleagues against whom charges were brought—for example, Ireneusz Sekula. He did get off the hook in the end. This time it is not the case of the head of the Main Customs Office but the prime minister and a presidential candidate. It

would be a strange country if first you elect the head of state and only later establish whether he is honest.

Radio Zet Interviews Lech Walesa

LD0211185795 Warsaw Radio Zet Network in Polish
0715 GMT 2 Nov 95

[Studio interview with Polish President Lech Walesa by correspondent Krzysztof Skowronski—live or recorded]

[FBIS Translated Text] [Skowronski] Today's guest of Radio Zet is President Lech Walesa. Good morning.

[Walesa] Good morning, ladies and gentlemen.

[Skowronski] Why should the electorate trust you?

[Walesa] I do not know. Perhaps 15 years of my work, in spite of the fact that I did not boast about it, may be noticed. That is why I would like to put in order what requires to be put right and I am striving to be given the chance.

[Skowronski] Five years ago, the electorate trusted you. Have you kept your election promises?

[Walesa] Those that I proposed, yes. The promises I have not kept were beyond my reach from the legal point of view. I am ready to fulfill what the nation would like, but in the situation when the law will allow me to do so. I have not backed out of anything.

[Skowronski] What do you want to do now?

[Walesa] I want to put Polish affairs in order. This was not possible during the five-year period. We had to pinpoint strength and means and personnel and programmatic capabilities. Today, the situation is clear and the assessment probably right.

[Skowronski] The assessment of what?

[Walesa] In every basic sphere. Management, administrative, and systemic order. Such issues as self-government have to be dealt with, and we have to separate what is political from what is of an administrative nature, which means the order in management, the order in economy, the order in social issues, including trade union ones.

[Skowronski] Mr. President, in which way do you want to introduce order in the economy?

[Walesa] We are not going to discover America here. We have to finish privatization.

[Skowronski] Do you mean to carry on like it is or do it in a different fashion?

[Walesa] What is proper and approved we should follow, but we have to return to the idea of mass

privatization, we have to give an equal chance to everybody.

[Skowronski] So, in some way, this is the return to your idea of 100 million to everybody, which you promised five years ago.

[Walesa] Yes, this was a brilliant idea, destroyed by those who did not think so brilliantly. We have to come back to it today. Of course, the situation is different. People who have already become capitalists and people on high incomes do not need such a trampoline. But we have to create opportunities for people who cannot do this by themselves, and I shall strive to do so.

[Skowronski] If you are reelected, what is going to be your first decision?

[Walesa] Thank you, there are great tasks ahead and I shall not let you down.

[Skowronski] But what is your first decision going to be?

[Walesa] A meeting of closest associates who run the campaign today, who are trying to put things in order. Together we shall decide what should be done.

[Skowronski] It looks like you have not decided yet on your first move. Will you attempt to dissolve parliament?

[Walesa] No, no. Decisions are always ready, but as I already said, I work differently in different periods. From now on, there is going to be teamwork and the need to quickly set up a team of people of even different political orientations, a block of accord, a block of balance. So, my decisions are going to transpire from interparty agreements.

[Skowronski] Who forms your direct base of support now?

[Walesa] The Patriotic Camp [some right-wing parties and Solidarity]. This is a group of parties and people who, together with me, are trying to improve what is bad and to outline better possibilities for Poland. The camp is open, and after the elections I see it expanding, so we shall be able to start implementing indispensable tasks with greater force.

[Skowronski] Today's TRYBUNA—Mr. President, do you read TRYBUNA?

[Walesa] It depends. My spokesman and the press office try to draw my attention to some articles.

[Skowronski] Today's TRYBUNA reports that there exists a secret staff of President Lech Walesa in Otwock [official residence outside Warsaw], and it is led by Mieczyslaw Wachowski. Is this true?

[Walesa] No, there is no secret staff. Wachowski takes a rest and he pays [for the accommodation in Otwock]. This is his business and not state business.

[Skowronski] What is going to happen in Poland should Aleksander Kwasniewski win the elections?

[Walesa] One has to respect democracy. But I expect minor issues to replace major ones. This means squaring the accounts [reference to bringing some people to book], which has to be done. If something most improbable should happen and result in Kwasniewski's victory, the issue I just mentioned is going to take prominence, the right-wing forces are going to consolidate similarly to the left, which had consolidated under threat, and the issues concerning Poland are going to turn toward squaring accounts. This has to be done and I am for it, but not as the most important issue. At present, the Poland of today is most important; using the opportunities for development of Poland and other issues should take second place.

[Skowronski] Does squaring the accounts mean vetting?

[Walesa] Not alone—decommunization and dealing with cobwebs [reference to former prominent communists and wives of today's politicians holding large amounts of insurance company shares], as reported by ZYCIE WARSZAWY. Everybody sees this and I see this.

[Skowronski] What do you think about this red cobweb?

[Walesa] Obviously, I am not the one to judge. I am to make sure that courts take an interest in various matters. There are important and less important matters. These matters are perturbing, and I think they will encourage people responsible for order, like prosecutors and others, to check what exactly is going on.

[Skowronski] Mr. President, but you know what is going on in Poland. How does Poland look from a different point of view based on the reports you are getting?

[Walesa] In the period of transformation, the law could not follow the development of events. The law comes from a different period, and less patriotic people commit disgraceful deeds against the homeland and the citizens without even breaking the law. It was like this and it still is, but I want to eliminate it. Appealing to patriotism alone does not work with people who are not patriotic enough. We have to say clearly that we are going to return to all the scandalous affairs irrespective of who was involved because our homeland is in a difficult situation today and people who do not see it and continue to treat it poorly will have to be held responsible sooner or later.

[Skowronski] What is the greatest difficulty of our homeland?

[Walesa] We can all see this. Reorientation of the social, political, and economic system is difficult enough, but the worst thing that contributed to our freedom not yielding effects is that 70 percent of our economy of the communist period came apart. After all, we were working for the Soviet Union, for the GDR, for Czechoslovakia; 70 percent of our economy was interrelated with other economies. Suddenly, it ceased to exist. We had to make a fresh start in searching for markets, we had to put things together. No other country would bear this, but Poland did. Of course, this is why there is some hardship. If not for this problem, the effects would be much greater. But, as I say, we have already started to put things together, we have found some new markets, and we are expanding our possibilities. So, things are going to get better because we have already managed to control one of the disasters that happened to us.

[Skowronski] Let us return to the subject of the cobweb. Are there many such cobwebs, red, green, and other colors, in the Polish economy?

[Walesa] I am not James Bond or somebody who explains things. But, according to my information, the law, which is not too precise, is being bent. That is why I suggested rule by decree in the transitory period, when the law could not cope with criminal offenses. But we associate decrees with martial law and limits to freedom. I want to make it clear. The decrees would not concern these issues. They would deal with new issues, which have to be blocked immediately to secure proper development. These decrees would also force parliament to deal with the most important issues. They are not going to be directed against democracy, against parliament but for speedy actions in a necessary situation.

[Skowronski] To be able to rule by decree, one has to dissolve parliament.

[Walesa] Not quite. We have to remember that our Constitution says that the nation is the highest authority in the state. If the nation, by casting the vote, is going to offer an opportunity and to support one's program in the first round of the elections, there will be a possibility to act in accordance with the will of the nation. So, let us wait until 5 November.

[Skowronski] Mr. President, you said that when re-elected you would carry through with vetting. Does the vetting pose a problem for you?

[Walesa] There is a need to carry it through. But this is also the issue that can be used during the campaign.

Many people running for office in a different time and place can be harmed by unexpected slander. Before they become aware and before they manage to deny it, the elections will have passed. So, we have to do it, but not as a priority. This cannot be done today because people in power are the perpetrators of events from the past, and the executioner cannot judge the victims. Let us wait for a more balanced parliament and do it in a better situation. There was a chance earlier, but it was destroyed.

[Skowronski] Mr. President, you said many times that you signed something in the 1970's. What was it?

[Walesa] Yes, I did. But we did not know then that we were allowed not to sign testimonies during interrogations. I checked and nobody refused to sign. I was just like them. When I realized in the 1980's that I did not have to sign, I stopped signing things.

[Skowronski] What kind of documents were they?

[Walesa] Twenty-six years ago, there were standard documents, but there were no documents concerning collaboration. I was nobody then, I had no group behind me, so I was even useless. So, this is nonsense that emerges from time to time.

[Skowronski] What do you regret most of your five-year term in office? What have you failed to achieve?

[Walesa] I have no regrets as far as great issues are concerned. If I were to do it again, I would repeat it. Surely, in some minor issues, like politeness and others, one should have taken a different approach. Of more important issues, maybe that I behaved as the majority of the nation in accordance with the saying: "When in fear, turn to God." We put more emphasis on economic issues than on issues of solidarity, on solving problems on grounds of the decalogue—that is, honesty, justice, conscientiousness, solidarity. Perhaps this was the reason that many things were dealt with dishonestly and without solidarity. We overlooked what was wrong. One has to improve on this, but it does not mean that we are going to forget our place. We are not going to take on the role of our spiritual leaders, the leaders of the church. They are doing this better. But we can build our economy and our political life on grounds of tested principles of the decalogue.

[Skowronski] Mr. President, are you now going to build a strong political movement that will support you?

[Walesa] As I have already said, I have agreed to lead the Polish ship safely, knowing nothing about the wind direction, about shallow water and rocks enroute. On this route, I had three parliaments and six governments. These were the rocks, but Poland came to no harm. All

the time I wanted to sail safely alone, without putting any stress on the people. This I am going to continue. I do not know what life is going to bring, I do not know what the constitution is going to look like and what the role of president is going to be. Today, to be honest to the nation, one should talk about three presidential programs. Every situation is different, and I have experience. It can be like now, an unspecified role of the president, it can be a presidential system included in the new constitution requiring a different program, and it can be a parliamentary and cabinet system requiring yet another program. I do not know what life is going to bring. I know that today I have to build a camp of accord, I am going to build it, and I have already made some considerable progress. This camp has to lead the way toward reforms, toward putting the political, economic, and social scene in order. There is no other way. In different times, I acted differently. Today, the situation requires accord and I have already started building it. Solidarity and many political parties have joined me already. The rest will join after 5 November.

[Skowronski] Is Andrzej Olechowski your favorite as regards the post of prime minister?

[Walesa] Yes and no. It depends on the situation. Today, I am acting in the patriotic camp, and today I have to listen and to consider suggestions by Solidarity as it supports me, as well as many other forces. When one builds a camp of supporters, one sometimes has to listen to them. I can do this. I can make different organizational moves in different times.

[Skowronski] Mr. President, thank you.

Defense Minister on NATO, Civilian Control

WS0211141395 Warsaw POLSKA ZBROJNA
in Polish 26 Oct 95 pp 1, 6-7

[Interview with Polish Defense Minister Zbigniew Wojciech Okonski by Lieutenant Colonel Mariusz Jedrzejko; place and date not given: "A Strong Army—A Safe State"]

[FBIS Translated Excerpt] [Jedrzejko] Minister, the average citizen who does not exhibit much interest in specialist military training is not indifferent to national defense issues. Could you share your opinions on the state of Poland's security?

[Okonski] It is natural that the average citizen wants to know what is being done to guarantee the security of the country he lives in. He has a full right to be informed because, as a taxpayer, he supports the Army and the national defense system. He has a full right to be told

because he has been declaring his trust for the Armed Forces for years.

State security depends on the geopolitical location, relations with close and more distant neighbors, security guarantees, the functioning of the defense system, and the condition of the Armed Forces.

We live in a specific part of Europe, and we do not choose our neighbors. We are not threatened at present, yet we should be farsighted. It does not seem any real danger is looming somewhere, but we do have to consider the fact that Europe is far from stable. There is the former Yugoslavia or some of the states of the former USSR—events there are unfolding very dynamically, and it is difficult to predict what they might lead to. A cool analysis compels us to retain political and military realism. This is our duty to the state and the citizens.

We are not a superpower; therefore, we must seek allies. We have ongoing relations with our neighbors and do not cease in our attempts at obtaining formal guarantees of security. Our country does have certain security guarantees due to our membership in the UN and the Organization on Security and Cooperation in Europe, as well as to international agreements and informal guarantees provided for in a NATO declaration, which states that the security of countries in the East is very important for the alliance. We do believe, however, that we will obtain full formal guarantees of security once we become members of Western security structures. We are thus aspiring to join NATO and the Western European Union.

Our membership in European structures and the alliance depends on our government and the foreign policy it implements. The Ministry of National Defense [MON] does not implement an independent foreign policy, yet it does support the Polish diplomatic corps with activities carried out within the authority it has.

[Jedrzejko] State security is not only a military issue—there is also a social and economic aspect to it.

[Okonski] A stable economy and strong Armed Forces also provide a guarantee of security. We are currently witnessing slow but steady economic growth. This indicates that the condition of the Army will also improve.

Defense structures are being adapted to match the needs of the medium-sized European state that Poland is. Quantitative and qualitative changes are taking place within our Armed Forces. The objective of the Armed Forces as the fundamental element of the defense system continues to guarantee combat readiness, the most

intensive training program possible, and the perfection of command systems.

Although the average citizen, as you pointed out, is not very interested in military training, he surely must realize that the quality of training largely decides about the quality of the Armed Forces and their defense potential. We have nothing to be ashamed of in this respect. We know, for example, from press reports that NATO representatives gave our soldiers high marks for their performance in the Partnership for Peace program.

General John Shalikashvili, chairman of the U.S. Joint Chiefs of Staff, during his visit to Poland in September highly praised our contribution to the Partnership for Peace program and military cooperation between our two states.

I also wish to recall the most recent statement issued by the chief of General Staff for POLSKA ZBROJNA that all objectives in the field of combat training and restructuring have been met. I know this was possible only because draconian saving measures were introduced.

We have thus come to the very sensitive topic of funds allocated for the needs of the Army. Their amount is decisive for the technological advancement of the Armed Forces, the number of men, the possibilities of introducing new technologies, and carrying out organizational changes. We are, after all, striving to make our Army more professional. And that requires money.

Both national defense and strengthening the credibility of the Armed Forces require adequate funding. Thus, the average citizen should be aware not only that steps are being taken to enhance state security, but also, because he is a taxpayer, of the costs involved.

[Jedrzejko] Poland is very active on the international arena. One manifestation of this is intense bilateral and multilateral cooperation, for example in the Partnership for Peace program. What is your evaluation of the development of cooperation with our neighbors and NATO states?

[Okonski] A huge effort was made over recent years to develop good and full military cooperation with our neighbors. It must not be forgotten that over a very short period of time all of our neighbors underwent profound systemic changes: a united Germany emerged, the Baltic states were formed from the former Soviet republics, new state organisms appeared beyond our southern border, to say nothing of the transformation process taking place in our country. We can boast that for two years now we have had agreements on military

cooperation with all of our neighbors. This provides a very solid foundation for developing bilateral relations.

Many top-level meetings have been held this year. Among them were visits by U.S. Defense Secretary William Perry and Gen. Shalikashvili, chairman of the Joint Chiefs of Staff of the U.S. Armed Forces. We were also visited by defense ministers from Hungary, Lithuania, Portugal, and Ukraine, as well as the commander in chief of the Finnish defense forces. Ministers from more remote countries also came—most recently I received the Malaysian defense minister. I may add that, despite what it may seem, we did not run out of topics for discussion, and I consider that visit very fruitful. I myself had the pleasure of being the guest of French Defense Minister Charles Millon; I visited Lithuania and Estonia; in June, I met in Prague with defense ministers from the Visegrad Group states; I twice went to Brussels, where I met not only the Belgian defense minister, but also top NATO officials.

I also met with defense ministers from the Czech Republic, Slovakia, Germany, and Denmark. Other officials from our ministry have also been very active. Deputy Minister Andrzej Karkoszka, for example, had a working meeting with our partners in Paris and most recently participated in a session of the NATO Assembly in Turin. My last visit to the United States was particularly significant. Thus, one can see that we have very lively contacts with defense ministries in other countries. These relations, naturally, cannot be limited to extending invitations to my foreign counterparts to visit Poland and vice versa. Each of these contacts has specific consequences. Some provide an opportunity to exchange opinions, others lead to the signing of a joint agreement, as was the case with the last visit of the Ukrainian defense minister. These meetings are also an excellent means of sounding our partners' views on the key problems we are facing. I will not hide the fact that such meetings are a way of getting to know each other, to verify our assessments and opinions on various issues—which are quite different from the Polish perspective and acquire a new dimension after being exposed to the opinions of other parties. Apart from that, there were also numerous visits, meetings, and joint exercises at various levels.

Cooperation between the military districts and border units in neighboring states is developing. Contacts between soldiers from different countries greatly contribute to mutual understanding and trust; they enhance ties of friendship. The personal aspect of international relations perfectly illustrates what goes on between states, in particular between nations. The changes in personal relations, in my opinion, are taking place too slowly. One of the reasons is a language barrier, al-

though I am very proud to say that more and more officers speak fluent English and German.

This bodes very well for the future, especially in terms of developing contacts on the level of practical execution of joint targets.

[Jedrzejko] Various types of multilateral contacts are an important element of bilateral relations.

[Okonski] At this point, it is worth mentioning the very interesting example of cooperation between Poland, Germany, and Denmark. The material relations between Poland and France, within which we were very successful, particularly in the field of training mountain military units, also deserve mentioning. Our contacts with the Americans, Germans, and British are also very satisfying. Now I would like to say a few words about the Partnership for Peace program. It provides an excellent opportunity for developing cooperation in several planes: between Poland and NATO, between Poland and the individual member states, as well as between Poland and the individual partner states.

From the very start, we have considered the Partnership for Peace program as a means of obtaining full membership in the alliance; therefore, we are among the most active partners. In developing our own Partnership program, we try to select objectives so as to become as interoperational as means allow with the armed forces of our future allies. On the other hand, we also invite countries that do not want to become NATO members to hold joint exercises. This is extremely important because it not only demonstrates to these countries that our joining NATO does not mean that we will be their enemies, but also proves that we have no intention of breaking off the closest possible military cooperation. I will only say that, during my meeting with [Ukrainian Defense] Minister Shmarov, we agreed to form a joint battalion that could be employed in peacekeeping operations by international institutions. Lithuania came forth with a similar initiative earlier. The idea of forming a Polish-German military unit modeled after a French-German brigade is being seriously considered. If the nature of my office admitted for letting my imagination roam, I would mention forming a Eurocorps. Nobody has formulated such a far-reaching vision yet, but...

To answer your question briefly: We are not wasting our time, and, although not everything meets the public eye, I wish to assure you that in military relations "we are doing our job" with the foremost intention of guaranteeing our country the largest security possible. Never again shall we allow the situation in which we had enemies on all sides.

[Jedrzejko] What do you currently see to be the major obstacle in the way of Poland's membership in NATO? Are we effective enough in overcoming those obstacles?

[Okonski] I wish I could say there are no such obstacles. What is most important is that there is a will to enlarge the alliance; on the other hand, there is our will to join, documented by facts. I would be very shortsighted if I forgot that such obstacles do exist. They are due to politics, the economy, and opinions—the last pertains mainly to the citizens of NATO countries. As the last few years have shown, however, the major obstacle is politics. Russia is against NATO expansion and Western leaders take the stance of the Russian establishment into account. Despite its economic weakness, Russia still remains a huge country, a nuclear superpower, and continues to play an important military role in Central Asia and the Transcaucasus.

That is why, despite the straightforward and, we do not have the slightest doubt, sincere declarations of cognition of our stance, the NATO leaders are primarily trying not to annoy Russia, especially in view of the coming elections to the Duma and the presidential elections that are to be held soon afterwards. We understand that without Russia it would be difficult to establish a lasting and effective system of European security. In realizing this fact, in contacts with the alliance we have long been emphasizing that our membership in its structures poses no threat whatsoever to Russia or any other state for two basic reasons: a) NATO has never been an aggressive pact. b) There is no rational reason for the alliance to turn aggressive once it accepts the Visegrad Group states. We will not, however, heed a veto to our joining the alliance from anyone. NATO and all of its members continue to declare likewise.

As for as the evaluation of our efforts to overcome the barriers, it should be said that, on the political and strategic plane, all of our arguments and needs pertaining to the necessity of joining the alliance have already been presented at various decisionmaking levels at NATO Headquarters and in Western capitals. We are now intent on implementing concrete, specific projects.

The most still remains to be done in the field of financing: We are doing everything possible to make our political elites realize the necessity of increasing outlays on defense. We hope our appeals will be heard and that the economic situation will improve and the possibilities of the state budget grow. This is a wide problem because it pertains to the necessity of modernizing the entire defense system, regardless of NATO membership. (In my opinion, integration into NATO will be less expensive for the Polish state than

creating an independent system that would be equally effective.)

To recapitulate, we are active enough in both political and military terms. Without the slightest fear that I may be accused of something improper, I can say that Poland and its Armed Forces are prepared to enter NATO structures. This is not a premature declaration. The technological gap is not wide enough to constitute any real obstacle. The main barrier, biased as it may sound, is the lack of strong will on the part of the 16 member states. The doubts, however, are lifting, and this allows us to presume, despite various press revelations, that the process of NATO enlargement will be completed before the end of the century.

[Jedrzejko] The passing year has brought an animated discussion on how the Armed Forces function in a democratic state. A huge number of statements have been issued on insufficient civilian control. On the other hand, charges are raised that not many civilians have comprehensive military knowledge. How would you comment on these remarks?

[Okonski] The chief objective and basis of any army is watching over the security and sovereignty of its country. What differentiates the armed forces of a democratic state is that they serve the nation and are subject to mechanisms that prevent them from becoming a "state within a state"—a force that could be employed against its own citizens. Civilian control guarantees such positioning of the armed forces and limits their role. The press does raise the problem of civilian control quite often—primarily in the context of its insufficiency—yet fails to explain the very crux of the matter: What is civilian control to consist of? One must admit that even the decisionmaking powers have not yet formulated a precise and coherent definition of the term. Perhaps that accounts for all of the commotion.

Is civilian control to imply tight control of all of the day to day activities of the Armed Forces by nonmilitary people? I do not think this is the problem.

Civilian control is to guarantee that the Armed Forces will serve national interests. These, in turn, are formulated and implemented by democratically elected state authorities, who are responsible for the overall functioning of the state, including its defense and security.

Thus, it is up to the top state authorities to decide whether the Armed Forces are to be employed, fill out military alliance obligations, decide about the character (professional or drafted) and size of the army, and, finally, decide how much money is to be earmarked for these purposes. They are also fully responsible for the decisions they make.

The civilian authorities should outline only the most general frameworks and delineate the territory on which the Armed Forces can move without impediments.

If one approves such a definition of the term "civilian control," although I will not attempt to formulate it, it turns out that things are not as bad as is generally claimed.

The commander in chief of the Polish Armed Forces is, in line with provisions of the constitution, the president of the Polish Republic.

The legal aspects of the Polish defense system are overseen by the supreme legislative authority, the Sejm, which approves all of the fundamental legal regulations pertaining to the military and defense. It also approves and clears the military budget and decides how it is to be spent.

The Ministry of National Defense—the supreme military executive authority—implements the decisions of the legislative power. It is headed by a civilian minister, who uses his decisionmaking powers to administer the whole national defense system, primarily the Armed Forces, in such areas as staffing, finances, organizational structures, foreign cooperation, public relations, etc.

Generally speaking, the requirements of civilian control have already been met in Poland. However, this does not mean that we have attained the ideal. A lot still remains to be done, particularly in the field of legal regulations. The majority of effective laws date back to a bygone era and meet neither modern-day standards nor the legal acts that have been already amended. This is the reason for the squabbles over competence that the media are publicizing so loudly. Attempts at settling this issue were made a long time ago, and their effectiveness largely depends on the goodwill and ability to listen to the arguments of both interested sides. To answer the second part of your question, civilians who decide about state security do not necessarily have to possess thorough military knowledge. Where would they acquire it, anyway? They do, however, have to understand the Polish *raison d'etat*, feel responsible for the country, exhibit reason and goodwill, and realize that nobody knows the problems and everyday hardships of the army better than the military. Decisions made by the civilians are based on the above considerations. [passage omitted]

Options for Purchase of Combat Planes Viewed
WS0211122095 Warsaw GAZETA WYBORCZA
in Polish 27 Oct 95 pp 18-19

[Article by Jacek Kalabinski and Pawel Wronski:
 "Winged Raison d'Etat"]

[FBIS Translated Text] On 25 October, Minister Kolodko visited an Air Force regiment. He took a ride on a fighter airplane and discussed next year's military budget with the MON [Ministry of National Defense] chiefs. What aircraft will protect the Polish sky: U.S., Swedish...or other planes? We are free to select any airplane, provided it is a Western one.

In the opinion of General Staff Chief General Tadeusz Wilecki, Poland needs some 100 multipurpose planes, which would successively replace worn-out MiG-21's. This number will be enough to protect the Polish sky against an enemy's airplanes and missiles. In addition, new planes must be able to support ground operations.

Poland currently has as few as 12 relatively modern MiG-29's—typical fighters, some of which are parked in hangars because there are no spare parts.

The first delivery of possible new equipment will only be possible after 1997, when expenditures for military equipment substantially increase. Still, we may sign contracts with aviation concerns as soon as in a year. The fact that the admission of new members to NATO will also begin at that time, according to MON estimates, is also quite important.

"NATO membership requires that the pact's doctrine and procedures play an integrating role in plans and budget, as well as in purchases of military equipment," John Shalikashvili, chairman of the U.S. Joint Chiefs of Staff, emphasized during his September visit to Warsaw. Asked by journalists, Shalikashvili explained that every country has the right to select a type of armament, and his statement unequivocally implied that the possible cooperation between Poland and Russia raises serious concern overseas.

"A bid for a multipurpose plane will begin this winter," Deputy Defense Minister Andrzej Karkoszka says. "All technical, financial, and political questions will be resolved at that time. This is all that can be officially said so far."

So far, the U.S. F-16, Swedish JAS-39 Gripen, and the French Mirage 2000 have been in the game. The Russian MiG-29 fighter has entered it recently.

Mielec or NATO?

The first information about the possibility of assembling the M-2000 plane at the PZL Mielec plant appeared

in August. This technical name denotes a modernized version of the MiG-29.

The Ministries of Industry and Defense have been conducting secret talks on the future equipment of the Polish Air Forces for a year now. Deputy Minister of Industry Roman Czerwinski does not conceal that the two ministries have quite different opinions. Among other things, the difference lies in the fact that the Ministry of Industry wants to save PZL Mielec.

Had it not been for subsidies from the state coffers, the Mielec-based plant would have gone bankrupt a long time ago. Over the past two years, the Mielec plant has presented several options for overcoming the crisis, starting from production of transport aircraft, through doors for a passenger Boeing, to production of golf carts. Finally, the Iryda training-combat plane was to become the plant's salvation. On this occasion, the Mielec union-industrial lobby demonstrated its strength, winning a battle with the Army. The military fought against purchasing the Iryda, claiming that this plane may only be used for training and is basically worthless in the combat field.

The Mielec plant is currently hyping another hit of the season—a modernized MiG-29. MON officials consider this proposal as not serious. All aviation equipment of the Polish Army currently comes from across the Bug River. It is a matter of Poland's security and reliability before NATO to become independent of Russian products.

"The selection of a Russian design would harm Poland's security, making us dependent on our eastern neighbor for many years," says Deputy Henryk Maczka (Union of Freedom), who is personally connected with the Mielec-based plant.

Similar fears became the foundation for a proposal presented by Maczka's faction colleague, former Defense Minister Janusz Onyszkiewicz, to include in Sejm commissions' desideratum on trends of the aviation industry's development a clause saying that it has to conform to the trends of Poland's foreign policy. In the opinion of Onyszkiewicz, even the public debate on the MiG-29 alone may adversely affect our relations with NATO.

MiG-29—Blind Boxer

Maybe it was a coincidence, but the Mielec-based plant revealed its plans for cooperation with Russia at the time Sheila Windall, who is responsible for supplies and new military equipment in the U.S. Department of State, was on a visit to Warsaw. Mrs. Windall presented to Poland a concrete proposal to purchase F-16 planes.

"Thus far, there have been three equal bids," says Deputy Minister Czerwinski, aviation engineer and former PZL Mielec employee. He confirms that the Russian bid is very interesting because the Mielec plant has long been cooperating with Russian designers. "Although I treat all bidders equally, regardless of the country from which they come, there are attempts to portray me as a promoter of the M-2000," Czerwinski adds.

"Since the Mielec plant has not yet presented any official bid concerning the M-2000 to MON, this option cannot be discussed," says Major Eugeniusz Mleczak, Defense Ministry spokesman.

The airplane causing so much fuss—the M-200—would be assembled at the Mielec plant on an airframe shipped from Russia. It would be equipped with the avionics (electronics) produced by the French companies Sagem and Dassault. The entire enterprise would be run by a Polish-Russian joint venture.

According to the Russian press, however, the Mikoyan design bureau, which has ended up in serious financial difficulties, is currently sending its cooperation bids right and left. It has recently been reported that the MiG-29 is to be modernized in North Korea.

First, the Mielec plant would have to make the Defense Ministry purchase M-200 planes because judging by all signs the Polish Air Force could be their sole purchaser for two reasons. First, so far Russia has firmly been abiding by the ban on reexporting military equipment. Second, Western countries, while emphasizing the qualities of the MiG-29, claim that they are not interested in this proposal at all.

Only the Germans maintained in their Luftwaffe modernized MiG-29's inherited from the GDR Army, which fly along with F-4 Phantoms due to the fact the range of their radars is too short. Phantoms show targets to the outstandingly armed and maneuverable Russian planes. Since MiG-29's are dubbed "blind boxers," the plane produced at the Mielec plant would have to undergo "ophthalmological surgery." It would receive a better radar, and it would be possible to attach modern "smart" weapons—for example, laser-guided bombs—to eight hooks.

The plane's production cost is unknown. According to unofficial reports, the aircraft from Mielec would be cheaper by a third than the Western designs we are offered, meaning that it would cost \$25-30 million. What is more important, while it entails many engineering difficulties to quickly launch production of one of the Western planes, the assembling of the M-2000 does not cause many difficulties.

F-16 in Detail and Dollars

It is possible that the information about cooperation with Russia is a very risky smoke screen to encourage other bidders to lower their prices. If true, it has at least partially been successful.

At the end of the summer, the United States presented a detailed bid for sale or lease of F-16 planes.

The least expensive option would be to purchase used planes of early A and B types from the reserves of the U.S. Air Force. They would require relatively minor engine repairs and, according to the Americans, would cost \$6-8 million apiece, depending on the scope of modernization. For comparison, the new French Mirage 2000 costs some \$60 million. When Hungary exchanged a portion of Russia's trade deficit for 22 MiG-29 planes in 1993, their price was fixed at \$32.5 million each. The Americans are ready to let the Poles select from among 300 planes that are currently at the disposal of their Air Force reserves.

Another option envisions purchase of F-16 A- and B-type planes, and then their overhaul, after which they would become comparable with the new generation—that is, the C and D models. This option was selected by Norway, Denmark, the Netherlands, and Belgium. The Americans estimate the total cost of the purchase and modernization at \$12-14 million per plane. They also assess that 80 percent of the repair and modernization could be carried out in Poland. The modernized F-16 has an improved radar, a night vision device, and more capabilities of carrying "smart" weapons.

The most expensive option is to buy new C- and D-type F-16's, in which, of course, the Lockheed Martin company based in Fort Worth, Texas, is most interested. A new F-16 costs \$26 million. The Polish side expressed its interest in purchasing initially three squadrons of 18 planes each, and then purchasing another four squadrons.

U.S. sources have told GAZETA WYBORCZA that Polish negotiators were interested in purchasing F-16's as interceptor fighters, which is surprising, because the MON chiefs publicly talked about the need for a multipurpose plane (bomber-fighter). F-16's may be equipped with both fighter- and bomber-type weapons.

The purchase of seven squadrons of new F-16's would cost over \$3.5 billion. It is impossible to be precise about the cost because the issue of types of weapons has not yet been discussed. These gadgets are expensive: One AMRAAM-type missile (Advanced Medium Range Air-to-Air Missile) able to down an enemy's planes over the horizon costs over \$250,000. The less

modern Sparrow and Sidewinder missiles cost \$50,000 apiece.

If Poland does order 65-70 planes, Lockheed would be ready to cooperate with our aviation industry on a large scale. U.S. experts with whom GAZETA WYBORCZA talked, however, claim that the first batch of 24 planes would have to be assembled in Poland from parts delivered by Lockheed, and only the next 24 planes could be assembled from parts produced both in Poland and by Lockheed and its cooperators on a fifty-fifty basis. The Texas company claims, however, that, in case of a large deal, Poland could cover almost the entire cost of the planes by delivering aircraft parts.

The experts ask themselves the following question: Why does Poland need so many combat planes? Seven squadrons equals 126 planes. Rich Japan, which has been developing a prototype of the advanced FS-X plane based on the F-16 for seven years now, is going to equip its Air Force with 60-70 such planes.

The Pentagon also proposed that Poland lease F-16's from the U.S. Air Force reserves. This would be the most frugal option, though it would not increase orders for PZL Mielec.

The U.S. experts also emphasize that the operating costs of MiG-29 planes are four times as high as those of F-16's. The overhaul life of an F-16 engine is 4,000 hours, while that of an MiG engine is as little as 300 hours, meaning 13 times less.

What About Hornets?

Another large U.S. aviation concern, McDonnell Douglas, has also joined the race and has recently offered F/A-18 Hornet combat planes. They serve in the U.S. Navy air arm (800 planes) and the U.S. Marine Corps air arm (200 planes). Hornet is a multipurpose bomber-fighter plane able to land on and take off from short runways and aircraft carriers.

McDonnell has so far sold 400 such planes abroad, including to several NATO countries. The price of a new F/A-18 is comparable to that of an F-16, though McDonnell claims that more maneuverable Hornets are better for air forces of relatively small countries such as, for example, Poland. McDonnell has offered its planes to Hungary and the Czech Republic. The U.S. Navy also proposes to sell or lease used F/A-18's to Central European countries.

According to Polish experts, however, the possibility of buying U.S. planes depends on what model our southern neighbor chooses. The Americans recently attempted to persuade Prague to give up the frugal option of

modernizing its MiG-21's and purchase the eventual option, meaning F-16's or Hornets.

During the latest visit to Warsaw by Czech Defense Minister Vilem Holan, the Czech delegation held consultations with the Polish MON on this matter. According to our information, Minister Zbigniew Okonski said the following: F-16—perhaps; Hornet—rather not.

The Unfortunate Gripen

In this situation, it must be said that products of the Swedish SAAB company, which offers the JAS-39 Gripen plane, stand little chance of painting the Polish checkerboard on its wings. Last year there were rumors about the possibility of assembling these planes in Poland. SKRZYDLATA POLSKA several times very positively wrote about this plane, and our generals admired it during air shows.

Its designers deem JAS-39 an airplane of the 21st century. It is light, maneuverable, and to a considerable degree made of plastics. As the inventors presumed, it was to compete with Eurofighter created by a European consortium and new French proposals (Mirage 2005). Gripen is dogged by ill fortune, however. In August 1993, during an air show on the occasion of Sea Day in Stockholm, its prototype crashed, killing the pilot. Although the results of an investigation indicated only improper programming of the inboard computer, the ill fame remained.

There is also another problem: Sweden is not a NATO member, which means that it will be harder for it to sell the planes to countries from the North Atlantic pact. For the Swedes, who are currently equipping their air regiments with Gripens, Poland is one of the few opportunities to demonstrate themselves in Europe. Their offer for the Mielec plant thus envisions the largest share of the Polish side in production of the plane.

The Swedes have not yet surrendered and are presenting new proposals. Provided cooperation is established, they have offered the lease of some 50 Viggens to the Polish Army. In the mid-1970's, Viggen lost the "bid of the century" for NATO's multipurpose aircraft. It was defeated, namely by the F-16.

The Test of Truth

The debate on equipping the Polish Army has just begun. It will certainly be uneasy; in many countries similar disputes raised acute controversies within defense ministries and staffs, became the topic of protracted parliamentary debates, and even caused government crises. The purchase of Trident missiles by Great Britain, or the recent "Augusta" scandal (the sale of Italian helicopters

to Belgium), which put NATO Secretary General Willy Claes in the dock, may serve as examples.

As for Poland, the issue of purchasing combat airplanes will become a particular test of political reliability before the West. Every rumor, even that about the possibility of cooperating with the Russian defense industry, openly contradicts our diplomats' declarations that Poland wants to join NATO as soon as possible. To save one plant, we are thus running a risk of a dangerous political turn in the international arena.

1996 Draft Budget Detailed

WS0311113395 Warsaw RZECZPOSPOLITA
in Polish 28-29 Oct 95 pp 1, 5

[Article by Katarzyna Jedrzejewska: "There Is Nothing To Divide"]

[FBIS Translated Text] The Council of Ministers has adopted a draft national budget for next year. The draft envisions that the GDP will grow 5.5 to 6 percent, with inflation at 17 percent. The document will be submitted to the Sejm in the near future, along with the government's opinion regarding the main points of the 1966 fiscal policy devised by the National Bank of Poland and a document outlining privatization directions.

On 27 October, the ministers shared out 600 million zlotys [Z] (6 billion old zlotys) allocated for budget spending; this amount was what remained of the sum that was to be divided among the ministries. However, they had to adopt a principle that they would not submit proposals on behalf of their own ministries.

So, a proposal by the foreign economic cooperation minister to increase appropriations to boost exports was automatically turned down. However, his other proposals, to promote education and the security of citizens, were accepted. Given the situation in which this particular procedure was adopted, one would think that the simplest solution would be to have ministers exchange their proposals. For example, the health minister would support the education sphere, while the education minister would support the health sphere. But the ministers reportedly failed to forge a coalition of interests, forming instead coalitions.

As a result, the ministers endorsed the most important spheres: education, public security, and health (including new jobs created in emerging hospitals). As a reminder, the ministers agreed a week ago to allocate Z100 million more for social security, and another Z100 million for other expenditures. At that time, a decision was made in favor of earmarking an additional Z200 million for the Bank Gospodarki Zywnosciowej [Food

Industry Bank] in the form of reconstruction bonds [bony restrukturyzacyjne].

Regardless of those divisions, Z100 million will have to remain in the mandatory reserves of the Council of Ministers.

Main Assumptions

The government expects that, in the next year, the budget will receive about Z102.2 billion. To fully finance its expenditures, Z9.5 billion have to be borrowed for the budget.

The draft budget has been based on assumptions that in 1996:

1. The GDP will grow by 5.5 percent as calculated in old prices, which means that it will amount to Z344.6 billion (in current prices).
2. Exports will grow by 16 percent in real terms.
3. Imports will grow by 13.7 percent in real terms.
4. National consumption will grow by 2.5 percent in real terms, compared with this year, while private consumption will increase by 4.5 percent.
5. Investments will grow by 8.5 percent.
6. Prices for goods and services will increase by 17 percent from December 1995 to December 1996, at an average annual rate of 19.8 percent.
7. Annual interest rates will average out to 24.3 percent for credits on securities and 22 percent for rediscount credits.
8. The U.S. dollar market exchange rate will reach Z289.30 for \$100 in late December, with an annual average rate of Z274.50 for \$100; the currency basket will be devaluated by an average of 0.9 percent monthly.
9. The work force will grow by an average of 2 percent, with the number of those employed in the national economy increasing by 1.6 percent and by about 7 percent in small economic entities.
10. Unemployment will reach approximately 2.5 million in late 1996, with an average of 2.560 million being out of work annually; the unemployment rate will drop by 13.9 percent.

Next year we will earn about Z860 on a [monthly] average (these are wages in the entire national economy). We will pay about Z29.9 billion in income taxes. For pensions and disability pensions alone, the budget will have to pay almost Z44.8 billion, while pensions for agricultural workers will devour more than Z7.6 billion.

These are just a few assumptions of the 1996 budget discussed by the government yesterday, the last time before submitting it to the Sejm.

As always, rather than an arithmetical breakdown of allocations for specific goals, we are more interested in how much we will earn and how much more we will have to pay next year.

Prices

Let us recall that the government assumes that, in 1996, prices for goods and services will grow by 17 percent from December 1995 to December 1996. Electricity rates for consumers will go up by 11.1 percent (we quote an average growth of prices), gas by 14.5 percent, hot water for apartments by 12.9 percent, medicine by 13.2 percent, food by 17.1 percent, and liquor by 22.3 percent (lovers of spirit beverages should be prepared for a 19.7-percent price jump). Prices of services will increase by 20 percent.

Wages and Pensions

By signing an agreement in the Trilateral Commission [consisting of the government, Solidarity, and the All-Polish Trade Unions Agreement], the government assumed a commitment that wages in the public sphere in 1966 will exceed the average annual inflation rate by 5.5 percent. Wages paid by economic entities will be allowed to grow by 21.8 percent at the most. An average gross salary in the national economy will amount to Z860.

Pensioners can count on only one adjustment, which will be effective on 1 September. Their pensions will then increase by 14.4 percent. Compared with 1995, pensions and disability pensions are expected to grow by 2.5 percent in real terms. Agricultural pensions and disability pensions would also grow as much. Only the so-called uniformed pensions [for Armed Forces and police] would rise higher—by 4.7 percent.

Revenues

The government expects that in 1996 we will pay Z29.950 billion in income taxes. But the largest revenues will be secured by, as usual, indirect taxes (primarily VAT [value-added tax] and excise tax) and will amount to Z46.8 billion. Legal persons would pay Z9.860 million to the budget.

In addition, the government counts on other revenues: Z2.565 billion from privatization, for example.

Expenditures

Expenditures will rise by Z9.5 billion, standing at Z111 billion 702.5 million. As always, the largest item will

be current expenditures for the public sphere—more than Z57,480 billion (assuming that the government shared out last week or yesterday the Z800 million from the Council of Ministers' reserves, leaving only Z100 million for itself). Social insurance (pensions, disability pensions, and unemployment welfare) will cost more than Z18 billion. Almost as much, Z17.9 billion, will have to be spent for servicing the national debt. Gminas [smallest administrative units] will receive more than Z7.7 billion in subsidies.

The bottom line is that the budget deficit will be Z9.5 billion. However, one will have to borrow more heavily, almost Z11.5 billion, on the domestic market because it is assumed that the foreign trade balance will be negative and reach almost Z2 billion.

Statistical Data Cited on Foreign Investment

MM0211204295 Katowice TRYBUNA SLASKA
in Polish 20 Oct 95 p 9

[Unattributed report: "The Diminishing Risk"]

[FBIS Translated Text] Despite the fact that Poland (alongside Russia) finds itself high on the list of countries ranked according to their market attractiveness to investors, we still have a higher investment risk index than the former East Germany, the Czech Republic, and Hungary, which head the league tables ahead of us. Such are the findings of the Market Economy Research Institute.

Together with Slovenia, Slovakia, Hungary, and the Czech Republic, Poland figures in the group of countries with medium-level investment risk. However, according to experts from the Market Economy Research Institute, Poland should be able to improve its position considerably provided the pace of the economic reform in our country is maintained at the present level. The former East Germany leads the list of countries attractive to investors. Germany's new laender are seen as the most politically, socially, and economically stable regions in the former East Europe. The group of countries with the highest investment risk index includes Belarus, Russia, Ukraine, Moldova, and Bulgaria.

The regional list of areas in our country ranked according to how attractive they are to foreign investors is headed by those voivodships that boast the highest economic development figures—that is, Warsaw, Katowice, Poznan, Gdansk, Szczecin, Krakow, and Lodz. On the other end of the range there are as many as 30 voivodships situated predominantly in Poland's eastern and central reaches. These have a typically agricultural profile, with a poorly developed industrial and infrastructure base, low market absorptency index, and a slow rate of economic transformation processes.

From the viewpoint of foreign investors, the least risky categories of enterprises are biscuit and cracker bread manufacturers. At the other end of the list, the machine manufacturing and the textile industry represent areas of highest risk for investors.

Foreign Investment in Capital Privatization at End of
Third Quarter of 1995

	Number of Companies	Millions of \$U.S.
United States	12	696.75
Germany	28	429.02
Belgium	2	167.10
The Netherlands	5	131.50
Switzerland	2	127.40
Multinational corporations	11	140.41

Despite considerable public anxiety concerning the buying up of Polish enterprises by foreign capital, our continued economic development depends on financial assistance from abroad. Many plants are in urgent need of thorough modernization, and we also need the latest technologies and technical solutions in the fields of management and marketing. Moreover, there is no point denying that money from privatization is used to meet budgetary requirements in such urgent areas as, among many others, reform of the social insurance and health-service systems.

As the table clearly demonstrates, so far the most capital has been invested in our country by the Americans. If we take a close look at the principal capital transactions in the years 1990-95, investors from the United States are leading the field here, too. For example, they have invested enormous amounts of money in the Kwidzyn Pulp and Paper Plant, where they bought 80 percent of shares, and they also invested considerable sums in the Odra Banks Oils and Fats Manufacturing Plant in Brzeg and the Polfa Pharmaceutical Plant in Kutno. Two major transactions of recent days are the purchase of 45 percent of shares in the Winiary Food Processing Plant in Kalisz by a Swiss investor and the purchase of 75 percent of shares in the Kujawy Cement and Lime Works by a French investor.

Oleksy Oversees State, Private Company Ties
WS0211142095 Warsaw GAZETA WYBORCZA
in Polish 2 Nov 95 p 1

[Article by Pawel Wrabec and Jacek Pawlicki: "The Prime Minister Keeps Watch Over Everything"]

[FBIS Translated Text] *Private capital versus state capital. For several months now, Prime Minister Oleksy has been personally overseeing the ties between private companies and state institutions.*

The prime minister has to be personally notified of all capital fusions, leasing and warranty agreements, and connections of state companies and agencies with private capital. He has officially taken control over stakes held by the state in companies where the State Treasury is represented by specific ministers and voivodes. Those are the provisions of an instruction issued by the prime minister in June 1995.

Instruction Number 20 on "coordinating the administration of State Treasury property by state organs" was not published anywhere. It landed straight in the hands of voivodes, the majority of ministers, and heads of the central administration offices.

The prime minister placed his subordinates under an obligation to report any changes pertaining to the State Treasury property within two weeks. They may not administer the shares of commercial code companies and foundations they are responsible for.

The instruction does not apply to the three ministers whose responsibility for state property is specified by law—the industry, privatization, and finance ministers.

One of the reasons for the prime minister's decision was the plans of Jacek Buchacz of the Polish Peasant Party [PSL], minister for foreign economic cooperation, in connection with the Polish Export Corporation [PKE], established last May. The PKE, conceived by the minister, is a twin organization of the Agency for Economic Development (renamed in mid-October as the Polish Guarantee Fund) that was formed by Buchacz's predecessor, Leslaw Podkanski of the PSL.

As early as May, Buchacz wanted to confer the shares of limited liability companies overseen by the Ministry for Foreign Economic Cooperation. This, however, "did not go down well with some of the coalition politicians," said Buchacz. The shares were to be worth 4 trillion old zlotys (400 million new zlotys).

"Prime Minister Oleksy wants to receive firsthand accounts of the operations of the ministers rather than read about them in the press. He does not want to be surprised by reports that new state agencies

are forming," government Spokeswoman Aleksandra Jakubowska told us.

Government Secretary Grzegorz Rydlewski told us more. "This way the prime minister controls the activities of the specific ministers. That obligation is provided for by Article 55 of the small constitution."

Rydlewski told us that the Office of the Council of Ministers checked whether the instruction was being observed and found that information from Minister Buchacz often reached the prime minister late and without observing formal procedures.

Production, Development Plan of Arms Industry

WS0211103995 Warsaw POLSKA ZBROJNA
in Polish 31 Oct-1 Nov 95 p 2

[Article by Artur Golawski: "The Arms Industry Is Also Recovering"]

[FBIS Translated Text] The Polish arms industry is developing very dynamically. In 1994, it reported a 12-percent increase in the output sold and a very high 21-percent increase in exports. The growth rate of investment outlays was also high, having increased by 59 percent. These figures were presented last week by Klemens Scieranski, minister of industry and trade.

According to data from the [past] nine months, the dynamics of output sold amounted to 110 percent, while the export of industrial products increased by 38 percent. This was accompanied by a decrease in production costs, an improvement in financial results, and an increase in profitability and liquidity indicators of many plants.

Almost every branch of Polish industry is tackling the same problems. According to experts, these problems primarily include overemployment, troubles with environmental protection, a too high per unit production cost, outdated products, a lack of financial liquidity of plants, an increase in the value of fixed assets, and a lack of development funds. The most difficult task facing the Ministry of Industry and Trade is to restructure the coal-mining industry as well as the defense and aviation industries. The latter currently comprises 31 enterprises, including 28 joint-stock companies of the State Treasury and three state enterprises founded and owned by the Ministry of Industry and Trade. There are different production departments in the defense sector, including aviation, electronic, optical, chemical, armored equipment, and conventional arms departments. The arms industry encompasses both military and civilian production.

The number of profitable enterprises increased from 45 percent in 1993 to 70 percent in 1994. The improvement of profitability indicators is a result of debt-restructuring measures taken by the arms industry. The development of the arms industry is limited by many barriers typical for the entire industry as well as those characteristic of this sector alone. Market mechanisms in the military production sphere operate on a limited scale. Customers and the volume of their purchases are strictly determined and limited by budget funds allotted by the state. Exports are limited by the so-called negative list and UN resolutions. The maintenance of production reserves for the possible outbreak of war results in overemployment and high production costs. The considerable indebtedness on the part of enterprises makes it difficult to obtain credits, while the lack of money for conversion makes it impossible to switch from military to civilian production. According to the "Report on the Situation of Polish Industry in 1994," presented by the Ministry of Industry and Trade last week, these problems bar the development of the entire export sector. The situation is worsened by the low competitiveness of certain arms-industry products (based primarily on licenses from the former USSR), high production costs, and the low productivity of labor.

In 1994, the Ministry of Industry charged one of the consulting firms with the task of working out a complex "Program for Restructuring the Defense and Aviation Industry in 1996-2000." The program provides for restructuring the arms industry in two stages. The first stage (1996-98), among other measures, envisions the concentration of military production (of those items that will be important for the Army until 2005), conversion, maintenance of reserves for time of war, implementation of debt-repayment programs and recovery investments, development of marketing and export promotion, and more rational management of assets and employment. The second stage, extending up to the year 2010, aims at transforming the arms industry into a modern sector producing armaments and military equipment. The main undertakings of this stage include the implementation of five or six strategic state programs and a state and-sector contract for the implementation of restructuring measures in the arms industry. Ministry of Industry and Trade experts think that one of the guarantees for the success of the program lies in the Defense Ministry's declaration to place 75 percent of its orders in the domestic arms industry, as well as in a pledge to provide money envisioned in this program for its implementation.

Daily Praises Army's Foreign Policy Role

AU0211143195 Bucharest *EVENIMENTUL ZILEI*
in Romanian 19, 20, 21-22 Oct 95

[Editorial in three installments by Ion Cristoiu: "Diplomacy Through the Army"]

[19 Oct p 1]

[FBIS Translated Text]

Proceeding From a Spectacular Visit

Romanian Defense Minister Gheorghe Tinca recently paid an official visit to Budapest. The schedule of the trip indicated that the visit was taken quite seriously by the Hungarian side, since it included meetings with Prime Minister Gyula Horn, with Hungary's president, and with members of the defense and foreign commissions of the National Assembly. Judging by the intensity of the official dialogue, the trip was not conceived as a mere protocol visit. Gheorghe Tinca did not waste his time with facile solemnities, whose importance only resides in the lively color of the parade uniforms and in the solemnity of the trumpet sounds. He talked to the leaders of today's Hungary, and one can assume that they did not talk about the weather. It is more than certain that he conveyed and received various messages. From this viewpoint, the visit can be considered as having exceeded the level of the dialogue between the ministries of the two countries. It actually corresponded to spectacular contact between the Bucharest and Budapest leaderships. The results of the visit are also quite resounding. According to the Joint Statement, the fruitful balance sheet of the cooperation to date will be supplemented with new actions directed toward achieving a rapprochement between the two ministries and armies, in such spheres as: the establishment of direct links between the two ministries and general staffs; the expansion of professional links between the border guards of the two countries; and the decision that young officers of the two armies should spend their vacations, on a reciprocal basis, in the two countries.

This is not unique to the military relations between Hungary and Romania. It is the culmination of many actions thus far that entitle us to view the relations between the two ministries as more than a mere civilized European dialogue between two ministers and armies. If the term were not so compromised, I would even go so far as to say that, from the perspective of these actions, the relations between the two armies could be termed friendly. The Hungarians are flying over Romania and the Romanians are flying over Hungary through the Open Skies agreement. Neither side hurried to camouflage its settlements, highways,

or railways, so that the enemy from the sky should not see some targets for future bombing. A platoon of Romanian infantrymen participated in a military exercise in Hungary. Responding to that, a Hungarian platoon participated in a similar drill in our country. To everyone's surprise, the members of the two armies were able to shoot at the common cardboard targets shoulder to shoulder. At no time did the Hungarians or Romanians feel the need to aim their guns at one another. A normal, thinking man might be baffled by these Romanian-Hungarian relations at the military level. Learning of these drills from radio and television, the man in the street might be prone to shake his head, in an effort to clear his thoughts, which is the thing to do after a night-long bout of drinking. If he were to come out of a Sadoveanu [Mihail Sadoveanu, early 20th century Romanian writer] novel, this poor man in the street would be like the character hitting his fur cap on the ground and spitting with bewilderment! His state of spirit would be totally explainable. The nationalist-communists entered Romania's Parliament by invoking the Hungarian danger. Their alarming calls reached all the country's corners: The fatherland is in danger! Hungary wants to take Transylvania from us. The Hungarian Army is pointing its guns at us! We are on the threshold of war! Scared out of their wits, many Romanians hurried to the ballot boxes to vote, out of befuddlement, for the Romanian National Unity Party [PUNR], the Greater Romania Party [PRM], and the Socialist Party of Labor [PSM]. They probably thought, among other things, that if one were to lay the corpulent bodies of Corneliu Vadim Tudor [PRM president] and Adrian Paunescu [PSM vice president] on the border between the two countries, they would become a fortress of meat in the way of the Hungarian tanks, more than the Focsani-Namoloasa line, which Antonescu [Marshal Ion Antonescu, Romania's military ruler during World War II] conceived as a wall against the Russian Army before he was overthrown. Although none of the fake apocalyptic forecasts of the three parties came to pass, they continued and still continue to make a lot of fuss about an imminent war between the two countries. The common man in the street with regular military service behind him learned the following basic truth from the first sergeant: When two countries are poised to go to war, the first ones to look askance at each other are the military men lying in ambush on both sides of the border. But here, the common citizen is confronted with the Hungarian and Romanian soldiers not only far from ready to bayonet one another, but also professing a spectacular friendship. According to the Joint Statement, the two armies plan to send their officers on vacation to the very countries that some people in Bucharest and Budapest consider as their deadly enemies. How is it

possible for the common man in the street not to wonder when he sees the likes of Gheorghe Funar [PUNR president], Adrian Paunescu, and Corneliu Vadim Tudor making such a hullabaloo at their news conferences?

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Man in the Street Confronted With the Nationalist-Communist Discourses

The man in the street has more important things to do than follow the news conferences of the parties or the Parliamentary Life program on television. He must care for his cows, repair his gate, or go every day to the town hall in order to acquire the promised, but elusive, land-ownership deeds. Despite all that, he is the one who is totally baffled—when he has the time to watch TV—by the contradiction between the alarm bells rung by Funar and Tudor about an imminent conflict between Romania and Hungary and the friendly relations between the armies of the two countries. Although he may not have a fur cap and does not usually express his ideas by spitting on the ground, the Western man in the street might be as befuddled about all this as his counterpart in our country. Not because he has heard Gheorghe Funar's and Corneliu Tudor's demagogic discourses, but because he has read in the civilized press that Romania and Hungary will not be received in NATO if they do not resolve their differences. This honorable citizen, who pays his taxes and takes the written, audio, and visual media seriously, knows that NATO already has two countries, Greece and Turkey, who are almost at war with each other. Nobody thinks of kicking them out of the organization. However, all kinds of obstacles are being raised to the admission of Hungary and Romania, despite the fact that an obvious friendship prevails between their armies.

What can we tell the man in the street? Well, we can tell him that he has no reason to be dumbfounded. The reality of the relations between Romania and Hungary is the one shown by the friendship between the two armies. The tension of an imminent war, invoked by the nationalist-communists, is mere demagogic chatter. The man in the street, who has lived for almost half a century under a dictatorship, is not used to a phenomenon that the West is already fed up with, namely, the attempt of the politicians to win votes at all costs. If he had experienced this phenomenon, the man in the street would have understood that the histrionics about the Romanian-Hungarian tension are mere instruments dexterously manipulated by politicians for electoral purposes. Let us hope that the common man has realized this in the past six years of so-called democracy and that next year, when he will be driven to the ballot box, he will be able to discern

between demagoguery and truth. What can we tell the Western citizen? Practically the same thing as what we can tell our own citizens, namely, that the great powers know about the friendly relations between the armies of Hungarian and Romania, something that the armies of Greece and Turkey would not even dare dream about. These powers pay so much attention to the so-called contentious issue between Romania and Hungary for political reasons, too. They would like to push NATO a little further to the east. However, the Moscow bear starts growling whenever the great Western powers speak about NATO's expansion. Then, the Western politicians back down. Still, to avoid being accused of cowardice by the despondent people of East Europe—a cowardice similar to that displayed by the West immediately after World War II—the Western politicians must look for all kinds of pretexts to justify their prudence. One of them is obviously provided by the alleged conflict between Hungary and Romania.

After having explained the situation to our man in the street and to his counterpart on the Thames, Potomac, or Seine, we will continue to show them—if they take the time to stand still for a while and listen to us—that the initiative of the Romanian Ministry of National Defense to improve relations with Hungary is not accidental. It is part of a broader and more complex plan and of a subtle policy conducted by this ministry at an international level. The Ministry of National Defense is actually assuming certain tasks that the Ministry of Foreign Affairs should undertake. A careful examination of Romania's relations with other countries will immediately reveal an important difference between the military and political planes. At the political level—expressed by the presidency, government, and the Ministry of Foreign Affairs—the relations with the West are much cooler than at the military level. In this respect, we can note a surprising truth. The Ministry of National Defense has become a kind of vanguard of Romania's advance toward NATO, the United States, and the integration into the euroatlantic structures. Romania was the first country to sign the Partnership for Peace [PFP]. Our country is making a pretty convincing impression at the various military exercises under the PFP aegis. On the military plane, our relations with the United States are excellent. They far exceed the relations on the political and economic planes. We do not err when we talk about a U.S. interest in Romania, which is not so much political or economic, but rather military. This diplomatic offensive of the Army, which began under General Spiroiu's [Gen. Nicolae Spiroiu, former minister of national defense] tenure and is brilliantly continued by Gheorghe Tinca, does not reflect the ambition of the Romanian Army to involve itself in visits abroad, official dialogues, and

negotiations, instead of devoting its time and energy to night drills. However, the actions at the foreign level do not diminish in any way the Romanian Army's effort to fulfill its specific duties at the domestic level, namely, to train the soldiers in a professional way, to improve the combat technology, and to modernize the Army's structures.

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Subtle Political Maneuver

The assumption by the Army of certain diplomatic tasks is definitely not an attempt to compete with our Ministry of Foreign Affairs. We are dealing here with a subtle policy launched from the presidency, rather than the Army. By turning itself into a vanguard of our integration in the Western world, the Army is only fulfilling a mission entrusted to it from much higher levels. What are the resources of these subtle political maneuvers? One of the reasons why the Army has also been entrusted with an important diplomatic mission lies in another truth of today's Romania. The country is currently ruled by a two-directional coalition, whereby the pro-Western Social Democracy Party of Romania (PDSR) is obliged to coexist with nationalist-communist groupings. The latter are more or less discretely opposed to Romania's rapprochement with the United States, NATO integration, and EU adherence. Therefore, they are ready to immediately start barking whenever they hear of a spectacular move from our presidency or Ministry of Foreign Affairs toward turning Romania into a reliable ally of the United States and the West, in general, in this part of the world. That is why many foreign actions of the presidency or our diplomatic establishment were counteracted by provocations rapidly concocted by the nationalist-communist forces at home. To counter this nationalist-communist activity, the presidency has found a separate formula, namely, to leave to the Army a number of foreign actions that are usually undertaken by a country's official diplomacy. This formula was reached by proceeding from an incontestable truth of today's Romania. According to all public opinion polls, the Army is the institution that enjoys the greatest authority among the population. Consequently, the national-communists find it harder to attack the foreign actions of the Ministry of National Defense, since they do not want to risk losing points with the electorate. These are pretty high risks, if we think of the fact that, by raising themselves against the Army, the nationalist-communist would find themselves obliged to contest one of the basic points of their electoral platform. What kind of nationalists would they be if they were to appear in the eyes of the public at large as critics of the institution that is constitutionally entrusted with

the task of defending the Romanian nation?! The presidency's calculation has proved efficient. The Army was able to fulfill its diplomatic mission of drawing Romania closer to the Western structures without incurring the traditional wrath of the nationalist-communists. It is true that several recent events—such as the PRM diversion with the letter of the 300 officers and the rebellion of Gen. Paul Cheler—make us believe that the nationalist-communists have finally gotten wise to the clever maneuverings of the presidency. This explains why they turned their guns against the Army, an institution that they not only protected, until now, but even praised to heaven. However, the new policy of the nationalist-communists vis-a-vis the Army has not reaped any of the hoped-for results. The Romanian Army continues to occupy first place in the popular sympathy. Consequently, the Army may continue—it remains to be seen for how long—its diplomatic offensive.

The assumption by the Ministry of National Defense of foreign policy missions is also explained by the realization of another truth of today's international life. The people who triggered this shift of diplomatic moves from the Ministry of Foreign Affairs to the Ministry of National Defense realized that, right now, the United States and the West in general are more interested in Romania militarily than economically. In this respect, it goes without saying that the United States and the West are more sensitive to the military signals coming from Bucharest, rather than the political-economic ones. Romania's readiness to become a military ally of the United States and the West in this region has managed to arouse the interest of the Western great powers. In the last instance, this is the explanation for the recent U.S. show of goodwill toward us, a goodwill expressed in Ion Iliescu's reception at the White House; for the renunciation of a priority list regarding NATO admittance (a list that would have almost certainly put up in a secondary place, behind other former communist countries); and for turning Bucharest into a host of many international meetings. Is this maneuver efficient only on a military plane? Of course not. It is bound to have some beneficial consequences on the economic plane, too. One of the things that may attract foreign investors is the knowledge that a country from the former communist space has become a reliable military ally of the United States and the West. The moment they realize that a given country is no longer threatened by the danger of a return to communism, particularly by the temptation to remain in Russia's sphere of influence, Western investors are ready to move into the respective country in force. From that moment on, they are sure that their money is not at risk. Therefore, one can say that the Army's diplomatic offensive—an offensive that finds its expression in the continuous improvement of

its relations with the Hungarian Army and with the armies of the Western countries—meets not only the basic interests of our armed forces, but of the country, too. The most well-liked institution of the law-and-order state in today's Romania, that is the Army, is thus fulfilling the mission entrusted to it by all the Romanians, not only by the effort it makes to modernize itself and prepare to brilliantly defend the country's borders, but also through its intelligent undertaking of certain foreign policy actions.

UDMR Deputy Views Policy, Education Law

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in Romanian 20 Oct 95 p 3

[Interview with Gyorgy Tokay, deputy of the Democratic Union of Hungarians in Romania, by Mihaela Dan; place and date not given: "We Will Run on a Separate List for Parliamentary Elections"]

[FBIS Translated Text] [Dan] In view of the elections, do you intend to enter an alliance with the opposition?

[Tokay] We will run on separate lists for the parliamentary elections. On the other hand, regarding the local elections, our organizations in provinces have unlimited freedom regarding cooperation with opposition parties. On the basis of reasonable criteria, of mutual respect, and common interests, we will succeed, wherever possible, in cooperating with various formations under appropriate conditions.

[Dan] What has been the effect of the UDMR's [Democratic Union of Hungarians in Romania] act of withdrawing from the Democratic Convention of Romania [CDR]?

[Tokay] From our viewpoint, some of these effects might be considered negative and others positive. Negative effects, because, in general, this erosion of the CDR is not in the interest of the country's democratization process. On the other hand, the UDMR wishes to promote an autonomous policy in the broadest sense of the word, and I do not refer to autonomy on ethnic criteria, but to how the goals are being formulated, how the means are chosen, and how the alliances are concluded. We wish to cooperate with the opposition parties, but this cooperation must be rebuilt. The act of withdrawing from the CDR could mean a new beginning.

[Dan] To what extent are the ethnic Hungarians interested in the activity of the UDMR in the context of the citizens' lack of interest in political life?

[Tokay] It is very difficult to make an assessment in this respect. The local elections will be the test to show the degree of interest or lack of interest of the ethnic Hungarians. I believe that a certain erosion in

this respect can be noticed in all parties and all electoral levels of the society. This erosion is the consequence of a feeling of frustration, primarily in the political and economic area, generated by the general crisis that currently characterizes our society. Given the fact that, justifiably, the Hungarian community considers the preservation of its national identity to be endangered—also because of the education law—I believe that this community will be strongly motivated to participate in the elections. This earnest motivation will depend on the way in which the UDMR is going to participate in the electoral campaign.

[Dan] What political doctrines can be found in the UDMR?

[Tokay] All doctrines, except for the extremist and chauvinistic ones. The Christian democratic, social, and liberal currents are present in the peoples' minds. However, we do not have extremist currents that would promote the idea of hatred. According to our analysis, such a current is not bound to appear.

[Dan] What is the position of the UDMR on the appeal to historic reconciliation between Romania and Hungary?

[Tokay] The UDMR has a constructive position regarding this. We are vitally and fundamentally interested in this reconciliation. We want this reconciliation, not only at a state level, but also at the level of the two nations. We wish for a clear and an unequivocal judicial settlement of the situation of minorities in general and of the Hungarian minority in particular. First of all, it is desirable that the Romanian-Hungarian basic treaty be signed. This treaty is not a universal panacea, but it is an important step in the reconciliation process. Comparisons to the French-German reconciliation are correct only if that reconciliation includes all areas, first of all, the human and social areas. We are determined to extend a helping hand for the achievement of this historic reconciliation.

[Dan] An idea has been aired in the press that the parents of Hungarian ethnic students agreed to the boycotting of the school year. What can you say about this?

[Tokay] We initiated a number of protest actions that appear in various forms, in accordance with the concrete situation prevailing in each county: rallies, religious masses, marches, and the Japanese-type of strike. There are various forms through which we try, and will continue to try in the future, to express our dissatisfaction in a nonviolent manner. If we are talking about the support of the electorate, I believe that the most "dazzling" example is the figure of almost half a million signatures through which our electorate requests

another way of administering education than the current one. There is this obvious support of the electorate that cannot be contested by anybody.

[Dan] What will be the concrete results of the protests initiated by the UDMR against the education law?

[Tokay] A minority has never solved its problems alone. We rely on the majority because, in this country, laws are endorsed through a majority of votes and we have chosen the road of parliamentary democracy. The way problems are solved depends on the wisdom and degree of understanding showed by the majority. Sooner or later, this majority will understand the correctness of our position. We hope to benefit from a legal treatment that would ensure not only the equality of rights, but also respect for constitutional desiderata, such as protecting our right to preserve and cultivate our national identity.

[Dan] Can you assess the period when Parliament will start discussing the draft law on education in the language of national minorities? If that draft is going to be approved, what do you think will be the consequence?

[Tokay] I hope that Parliament will use this opportunity to overcome a political and legislative impasse. Normally, the draft law should be discussed during this parliamentary session. The results would be extremely positive because, in fact, that draft would grant a European settlement of the issue we are discussing. From a political and psychological viewpoint, it would ease the interethnic tension in Romania and would eliminate the danger that, at the next elections, the nationality problem, the so-called Hungarian problem, will occupy a central place.

The country and the electorate would indeed have the opportunity for real elections.

[Dan] How do you assess the policy promoted by the Vacaroiu government regarding young people?

[Tokay] The way in which this government has not succeeded in dealing effectively with the country's fate, in general, is the same way it has neglected this social strata, namely, the young people, who are in the most disadvantaged situation. For the young generation to have dwellings and to be able to [word missing as published] is almost an unsolvable situation and unfortunately the executive has not done anything for the young people.

[Dan] What are the provisions of the UDMR statute regarding young people?

[Tokay] The statute is not meant to include pragmatic ideas. However, it includes provisions that ensure, in a privileged manner, the participation of young people and of their youth organizations in the UDMR leadership. At the same time, the UDMR program has a special chapter devoted to the younger generation. We could not claim that this is perfect, but, nevertheless, it contains elements through which our organization can help young people. This chapter referring to young people is being improved continuously, and several additional issues in this respect are being worked on.

[Dan] How do you see the role of young people in Romania's political life?

[Tokay] I believe that this role is increasing because young people—at least I hope so—are showing an increasing interest in the political sphere. I believe that the party that will succeed in financing a convincing program for the young voter will benefit from substantial electoral assistance from the younger generation.

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